FBIS DAILY REPORT

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WEHBE ANNOUNCES PESO DEVALUATION, OTHER MEASURES

PY300216 Buenos Aires Domestic Service in Spanish 0000 GMT 30 Oct 82

[Argentine Economy Minister Jorge Wehbe's address to the nation from Buenos Aires on 30 October -- recorded]

[Text] A few days ago the executive branch announced directives for the government's actions during the remainder of this year and the period ending in March 1984 when, as planned, an elected government will take over the management of the state. These directives refer to every facet of government activity: education, public health, public works, salary policy, etcetera, and primarily the economy recovery that will permit the attainment of the intended objectives.

As part of that action, I have to explain the intentions of the nation's government in the area of the ministry I head. The main objective to be pursued by the national government within the Economy Ministry's purview, is the recovery of the productive aparatus since economic policy, as an overalll program, can only be directed at that recovery as the only valid alternative for the utilization of productive resources, at the reduction and final control of inflation and at the attainment of an acceptable level of employment. Only a sustained rate of production can generate a genuine growth of wealth permitting an improvement in the country's ability to pay, thus putting an end to a prolonged period of internal weakness and, consequently, recovering the standard of living of the Argentine people. That way increasing the real income of wage earners is not only a goal of social justice but also the basic condition for the utilization of idle capital, which exists in the form of inactive industrial installations and inactive people. This objective of economic policy has been made public since the beginning of my tenure and we had the occasion of expressing it during the IMF meeting in Toronto.

In Toronto we had the opportunity to contact various sectors of the international financial community as well as the authorities of the IMF to whom we expalined our program. This program is just exactly the one dictated by good sense and the honest purpose of overcoming a temporarily critical situation, in consonance with the honorable tradition and national dignity of a country such as ours which, despite this recession in which it temporarily finds itself, continues and will continue to be important in the concert of nations.

Goals have been set for this program and, since they cannot remain an expression of wishes, immediate measures are necessary among them, the main one is to eliminate the stranglehold of the foreign debt. I believe that few have understood the importance or seriousness of this problem and sometimes nonchalantly it is thought that it can be easily solved. This is not so, but this is not the time to expalin why.

A careless management of credit had led the country into a situation which, although not extremely grave, is critical due to the payments coming due over a short period of time. Considering the solvency and payment ability of the nation, this situation can be overcome provided we are allowed to reschedule the debts in intervals appropriate to our ability to pay. We must also point out that the situation the state finds itself in was not created only by errors made in the structuring of our foreign debt, but also by the international situation, which is quite confused in the economic and financial aspects. At the same time, the decline in price of our main export products contributes to worsen the country's situation.

The main points of the tentative program, which, as I said before, has already been explained to the authorities of the IMF during the Toronto meeting, and which were considered acceptable by these authorities, can be summed up this way:

First, increasing the economic activity to have no less than a 5 percent improvement in the Gross Domestic Product [GDP] in real terms. This also presupposes the need to improve the real income of wage earners in the same percentage.

I emphasize that this policy has been set in motion with the substantial increase of the lowest incomes, which in some cases is as high as 120 percent, and with the partial recomposition of salary scales, which has been done without discriminating against any sector -- regardless of what some publications have said.

As can be seen, our plans, which were accepted by the IMF and which were negotiated with the IMF, do not include a recessive policy, quite the opposite since emphasis is placed on reactivation and intensive use of idle resources and on the reduction of idle labor as well as on the real increase of wages. Speaking of wage earners and real income, I must note that the lowest real income is that of workers or employees who have no jobs, this is to say, the unemployed who will receive our preferential attention.

In the second place, we had the reduction of the budget deficit as a goal. Of course, and it is obvious, there would be no need to resort to any type of international forum, or international institution, to understand that we have to try to reduce the budget deficit. This is a principle of good administration, which has been very well known for a long time.

This goal, that of reducing the budget deficit, was programmed by the various governments, some with better luck than others. But, it is true that having faced the very urgent need to contain the inflationary process, the reduction of the deficit now becomes a very necessary measure. But this also implies a challenge: this reduction of the deficit must not imply a recession, because this would be a contradiction of the fundamental objective of the recovery of economic activities.

This is why today the end use of expenditure is more important than the level of the deficit. Thus, we plan to increase public investments by 10 percent of the GDP so that the private sector can be involved, so that manpower is used and to get the economy reactivated.

We will control current expenditure, we will not let real wages fall and we will reduce the budget deficit from 7 percent of the GDP, which was the figure in 1981, to below the 3.7 percent in 1982: 2.1 percent in 1983. If this reduction is compared with the GDP of 1981, it can be observed that there will be a significant reduction in the budget deficit.

Some of the concrete measures that have been adopted today are explained by the need to harmonize the reactivation of the economy with an important reduction in the rate of inflation. And we hope that this rate of inflation can be reduced basically through an increase in production in every area, because the only real and effective way of defeating inflation is with an increase in supply, in other words, by increasing production.

Finally, we are going to refer to a fundamental topic, which was announced at the beginning of our tenure as very necessary: the unification of the exchange market. Because, regretably, the existence of a dual market has turned into an incentive for unethical actions, even criminal actions, that are an attack on the economy, which is the same as saying that it is an attack on the welfare and the standard of living of each and every inhabitant of the country.

We would have preferred that this unification be implemented gradually, as we had been doing until today, with the already announced purpose of not implementing abrupt measures that would have rocked the market or that would have created anxiety and uncertainty.

But truly, the expectations that have arisen regarding this unification, the fantastic rumors -- illintentioned or not -- that cause confusion in the market, have obliged us to adopt this measure today -- I will explain later on -- in order to clear up any type of uncertainty in this respect and so that both importers and exporters will be able to clearly understand the future exchange policy.

This program, as I have said and I must repeat myself, was explained to and accepted by all international financial circles, which understood that it was the correct way to undertake the normalization of the Argentine economy.

Finally, it must be asserted that this path of action was not only explained to international financial circles, it was also explained to the main circles, or the most significant sectors, of Argentine activities. But regarding the latter, this does not imply that the full exercise of power has been set aside, or that there is a deterioration of the full exercise of the powers of government, because the consultations that were carried out, or that can be carried out, are an act of political responsibility and not a diminution of the powers that are invested -- and which it will use -- in the executive branch. It will use those powers fully.

Within this context and in accordance with this program, which has been clearly explained, it was agreed with the IMF that a mission should visit Argentina. This mission has just concluded the first part of its task, which basically consisted of verifying how our administration technically implemented the necessary measures to achieve the desired effects.

It was hardly an easy task because we had to first reconcile the various stands within the national administration itself in order to attain a common objective. This took some time and to carry it out we had the cooperation of the IMF mission, although the main burden fell on the shoulders of our own officials.

This explains the extended stay of the IMF mission in Buenos Aires and we must emphasize that at no point did the mission even suggest measures aimed at imposing policies different from those outlined in our program, a program which had received their approval in advance.

Neither did they bring up subjects other than those strictly related to the negotiations. The day when details are disclosed of the memorandum prepared in this regard -- which is, naturally, confidential -- people will be able to ascertain the correct and honorable manner in which the parties involved in these negotiations behaved.

We will now take a look at the financial measures which have been implemented to draw up the rules and regulations and to carry out the program that we have outlined.

The banking measures implemented in July this year effectively helped to alleviate the situation of local debtors in pesos who had been burdened for many years by high positive interest rates. We were obliged, at that point, to come up with basic measures which then had and still have aftereffects among holders of savings accounts and the financial enterprises themselves.

However, just as it was then necessary to reduce the interest burden that the debtors were obliged to bear by establishing negative interest rates and extending the deadline of their debts with the financial system, it is now becoming ever increasingly necessary to bring the interest rates to levels that will protect domestic savings from the inflation we are enduring. At the same time, these measures must not subject borrowers to efforts beyond their capabilities.

Thus, even though there will be changes in this aspect, these changes were foreseen at the very beginning of the program launched in July. Therefore, as I have already said, businessmen will not be subject to efforts beyond their capabilities.

To avoid this we will not make the mistake of establishing positive interest rates. These rates will be adjusted objectively to the fluctuations of the market as far as prices and exchange rates are concerned.

Although the so-called settlement of debts [licuacion de pasivos] is drawing to an end, it should not be felt that this will lead to the decline of credit availability since lines of credit will remain available for refinancing debts. This is another very important measure aimed at restoring the banking and financial system to a normal level of operation in keeping with the guidelines that will allow this system to grow and become stronger through regulations which will curtail the abuses we have witnessed over the last few years, abuses that led to the closing of financial enterprises which should have never been established and to the bankruptcy of other enterprises.

The protection which these entities found in the absolute freedom of interest rates and bonded deposits will not take place again and these instruments will be handled very carefully to avoid repetition of past evils.

In view of this, it has been decided to increase the interest rate for 30-day time deposits to 8.5 percent and to set at 9 percent the rate which financial enterprises will be allowed to collect from their debtors in November and December.

As you can see, this 9-percent interest rate is, for the time being, considerably lower than the rate of inflation, although we have a reasonable hope that this rate of inflation will abate.

In order to stimulate the reactivation of small and medium-sized industries, we have decided to facilitate loans for investments payable in 1 year or less, which can be obtained from banks and other financial entities from funds provided by adjustable deposits.

In view of the special characteristics of the deposits from which these loans are financed -- deposits which are subject to cost of living adjustments -- the loans themselves could turn out to be too expensive for borrowers. Because of this the Central Bank will assume part of the costs of financing. Thus the debtor will have less costs to face and will feel encouraged to make investments. Of course, whoever takes these loans will not be able to maintain indexed deposits simultaneousely within the same financial system.

Furthermore, in connection with the problem that the enterprises are facing to refinance their debts, I can now announce that a law is being drawn up and will soon be promulgated exempting from tax stamps and other dues the debtors who have opted to refinance their debts.

As to the official banking system, its assets and operational structure will be strengthened and noninflationary resources of the Central Bank will be used to build up its capital. This means that the accumulated profits of the Central Bank, profits which amount to nearly 40 trillion pesos, will be used to this end.

However, the national official banks will not be the only ones to benefit from this. These funds will also be used to facilitate the operations of provincial governments and banks by freeing them of some of their debts. Through this we will try to make provinces and provincial banks solvent and strong again so that they will be able to continue fulfilling their roles. In view of the number of requests that I receive constantly from provinces and provincial banks, I feel that this is a very important announcement which will allow me, if possible, to avoid giving specific answers to each one of these requirements.

It has also been resolved to let all official banks attract open ended savings accounts up to 5 percent of the total amount of their total deposits as of 31 June 1982.

The stimulus on internal savings, which will be achieved with interest rates at adequate levels with respect to internal prices, is also indispensable in order to favor the exchange market and to block the flight of capital.

Therefore, we propose to adopt a policy of continually adjusting the exchange rate based on the real trend of internal price levels. Within this policy it has been decided, as I said at the beginning, that the exchange market will be unified and the U.S. dollar will have a value of 39,000 pesos as of 1 November. This means that the peso will be devalued by 15 percent.

As of that date, readjustments in the exchange rate will be made by following the basic trend of internal prices and by preventing the exchange rate from reflecting the movements of rates that exaggerate or minimize that trend.

It must be emphatically repeated, so that there are no doubts, that from the moment at the beginning of September when I explained to the IMF authorities in Toronto the overall framework of the government's economic policy, with special reference to the monetary, financial and exchange sectors, the IMF considered that our purpose and goals were realistic and well defined and that, yes, an agreement was viable for obtaining its cooperation.

Thus, during 4 weeks we have quantified the Argentine program and we have projected it to March 1984, putting it within the framework of goals that we have set for ourselves. These goals are:

A. Economic reactivation and an increase in employment. An estimated increase of 5 percent in the GDP during 1983. I must say that this is a low estimate, not a top estimate or a limit, as some sectors of the press have mistakenly understood it. Of course if we had the good luck to grow at a higher percentage rate, it would be welcome; we would not oppose it if it did occur.

B. Reduction in inflation to a rate that must not exceed 160 percent in 1983.

C. Improvement of real wages by an average of 5 percent during 1983, which also presupposes an increase in employment.

Increase in the rate of public sector investment, together with a reduction of the fiscal deficit to a level that does not exceed 2 percent of the GDP [sentence as heard].

It has not escaped us that for the recovery of the Argentine economy these goals for 1983 are not sufficient in the face of the goals that the country needs and which it can achieve.

But, it must be taken into account that the degree of deterioration is very great in the economy and longer periods of time will be needed, including more vigorous policies, in order to recover what has been lost.

This task will fall on the shoulders of the governments that will assume power after March 1984, but we believe that it is our task to undertake, as we are doing, the initial steps, the less pleasant steps, the harder task, shall we say; in other words, the task we are carrying out. With these steps we want to eliminate obstacles and difficulties from the path of the institutional government that will be installed in March 1984.

We have also been criticized about the deadline that we have agreed upon with the IMF. I must state that we believed it convenient to leave the door open so that the authorities that succeed us can, if they want, continue contacts with the IMF or renegotiate the program. We have not in the least exhausted the country's credit potential with that organization.

Another important topic that concerns certain business circles is the problem of the forward exchange rates about to expire within the next few months. This creates a problem in the demand for foreign exchange and the issuance of money, something that must be avoided.

Therefore, the government has decided to invite those who have this problem and who have not opted for the renewal of their committments, to transfer their debts to the government. Thus they will be free of the obligations they have with foreign creditors. The Central Bank is studying the respective regulations and those who are interested will be able to make consultations next week.

The assumption of private debts by the government is an emergency operation, which the government has undertaken in compliance with its obligation with local debtors and with foreign creditors.

For the peace of all of those who are involved in this type of operation, we must make it clear that the measures will not be of a coercive nature and they will merit the same treatment that is received by the rest of the debt, whose refinancing we are trying to obtain. In other words, no one will be punished or patted on the back. Treatment will be equal for all parties, because justice, when it is a question of applying more or less strong measures, is an insurance against conflict.

It should be remembered that the country has a long and clear tradition of fulfillment of its external obligations, a tradition that must be carefully preserved. But this effort by the government must go hand in hand with an ethical and fair attitude on the part of debtors who will be asked to reveal the terms of the operations which gave rise to their indebtedness, including the guarantees they gave and the use they made of the loans received. The debtors must also authorize the state to check their declarations with foreign creditors and internal revenue.

In conclusion, the country is going through a very difficult period, but we must not overblow or underestimate the seriousness of it. The combined effort of the entire nation is required. Every sector must make some sacrifice without attempting to obtain immediate reparation for the losses it sustained. At the same time, with unshakable faith in the destiny of the country, I want to remind everyone that when the May forefathers sang the verses of the national anthem, saying that a new nation was coming into being, they announced a program which was completed by the beginning of this century, because the republic, putting behind the bloody confrontations which engulfed it in anarchy, reached a ranking among the first ten nations of the world. Today we are experiencing a grave crisis, maybe the most serious in our history, but one that certainly will only be temporary and one that is putting to the test the temper and strength of the Argentine people. I have no doubt that the Argentine people, who so many times have raised themselves above adversity, will not shame themselves this time and will soon recover the place they should never have lost among nations. Thank you very much.

SHOOTOUT AT AIR FORCE WORKSHOP REPORTED

PY010234 Buenos Aires DYN in Spanish 0156 GMT 1 Nov 82

[Text] Buenos Aires, 31 Oct (DYN) -- Personnel of the Quilmes workshop of the air force tonight "unofficially" confirmed that a shootout heard by neighbors had actually taken place shortly after 2000 in the area of that military unit.

The shootout was started by unidentified persons who fired shots at the zone known as "Quilmes materiel area" of the workshop and air force personnel responded to the attack from within the barracks, the sources said.

The materiel area is located on Otamendi Avenue which leads to the downtown area of Quilmes, 20 kilometers south of here, toward Costanera Avenue on the River Plate.

Air force officials are conducting investigations in the area where the shootout took place.

Duty personnel of the Quilmes workshop informed the "Isidoro J. Duarte" hospital of Quilmes of the incident by radio in order "to alert" the hospital personnel.

In problems like this, the sources said, those wounded are treated at a health post located within the Air Force workshop and then transferred to the above hospital.

JUNTA WARNS OF DRASTIC MEASURES AGAINST MEDIA

PY300120 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1940 GMT 29 Oct 82

[Text] Buenos Aires, 29 Oct (NA) -- The military government feels that there exists a campaign to destabilize the return to democracy. Some of the media are reportedly involved in that campaign and the government will adopt "drastic measures" against it.

This was revealed by a high-ranking government source, on saying that the military junta is ready to fulfill "at all costs" the institutional normalization process "regardless of the obstacles that have emerged which are considered a campaign to destabilize the government."

The source also stated that the basis for the agreement proposed by the government will be ready by next week and all sectors "will be called in, without exception, with the sole purpose of having a representative." He denied that the military junta will directly participate in issuing the call to discuss the agreement, although he admitted the possibility of the military junta engaging in talks with the national leaders of the different political and social sectors.

GOVERNMENT CLOSES DOWN LA SEMANA MAGAZINE

PY292011 Buenos Aires TELAM in Spanish 1946 GMT 29 Oct 82

[Text] Buenos Aires, 29 Oct (TELAM) -- Through decree no 1,075, which was released today, the executive branch has prohibitied the printing, distribution, sale and circulation throughout the national territory of the magazine LA SEMANA that is published by Editorial Perfil S.A. and of any other magazine intended as a substitute for it. It has also ordered the confiscation of the current issue.

The decree adds that the magazine's offices will also be closed down, although the administrative tasks of the enterprise can be carried out, including any other activity that has nothing to do with this prohibition.

Paper Scores Closedown

PY311945 Buenos Aires BUENOS AIRES HERALD in English 30 Oct 82 p 8

[Editorial: "Taming the Press]

[Text] All Argentine governments have wanted the inhabitants of the country to show respect to "national symbols" but few have gone to such lengths as the present military regime in meting out harsh punishments to anyone who, in its view, does not display the proper reverence. The regime, quite clearly, regards positive respect for the symbols -- mere passive respect, no matter how deeply felt, is not enough -- as being far more important than either religious or press freedom, and it has demonstrated this on numerous occasion, the most recent on Friday when, the magazine LA SEMANA was closed down "definitively" for producing a cover with a picture of a television scriptwriter wearing a military hat.

This astonishing action is hardly likely to increase respect for the military among Argentines or for Argentina itself in the world at large. Even in countries where "national symbols" are considered of great importance, such as the United States, magazines often use unflattering caricatures of such universally respected figures as George Washington, or such symbols as the Stars and Stripes, to convey some political or social message without anyone except a few eccentrics raising any objections. And even if the conjunction of a military hat and the face of Gerardo Sofovich can be considered tasteless and offensive to "national sentiment," this is still not enough to justify the closing down of a magazine for a single day, let alone "forever" as the regime say is what has happened to LA SEMANA. This is a decision that only the courts can make. By usurping the courts' function the regime has demonstrated, yet again, that its respect for national symbols is not accompanied by any respect at all for some of the things they are supposed to symbolize.

It seems clear that LA SEMANA's photomontage cover was just a pretext for the regime's arbitrary action and that LA SEMANA itself simply had the bad luck to catch the regime's eye at the wrong moment, precisely when it was panting to hit out at the press. The military have made no effort to hide their irritation at the way the press has been treating them lately and seems to be convinced that it is all part of some carefully planned plot to "destabilize" their regime. This is farfetched, to put it mildly. All the stories involving the military, as individuals and as institutions, that have appeared in the press in the last few weeks have been based on facts for which the military themselves are in large measure responsible. If the press had not mentioned them simply because they might conceivably have wounded military sensibilities it would have neglected its duty.

The regime's spokesmen have produced many eloquent words about their alleged belief that the country needs a free press. What they meant, however, was that they wanted a servile press free to say what it liked as long as it never ever irritated the people in charge of the country. When the "process" was in its earlier stages most newspapers accepted this unwritten corrective to official remarks about press freedom. Now, however, they are taking the regime's spokesmen literally, just as though they really meant what they said. So to avoid confusion in the future it would perhaps be better for the regime to admit that it is implacably opposed to freedom of expression and will shut down any publication that does not invariably treat the military with the reverence they obviously think is their due.

AGUIRRE LANARRI SPEAKS TO MEDIA PRIOR TO UN TRIP

PY291459 Buenos Aires NOTICIAS ARGENTINAS in Spanish 0155 GMT 29 Oct 82

[Text] Buenos Aires, 28 Oct (NA) -- This evening Foreign Minister Juan Ramon Aguirre Lanari announced that "it has been decided to establish a study commission" to examine the situation of the high-ranking Bolivian military officers who are in this capital.

The minister, who made these statements at the International Ezeiza Airport shortly before leaving for New York, pointed out that the task of this commission is to examine the "legal situation" of the foreign military officers.

Former Bolivian President Gen Luis Garcia Meza and his former Interior Minister Col Luis Arce Gomez are currently in this capital.

In the United States Foreign Minister Aguirre Lanari will participate in the 37th UN General Assembly which, as of 1 November, will start to discuss the proposal for handling the controversy over the Malvinas Islands.

In this regard Aguirre Lanari said that "this is not an easy subject since there are nations, especially Great Britain, who do not share our point of view."

He stated that "anyhow, we have been working with great determination to defend a cause which we deeply feel is just and all that remains to be done is to hope for God's help."

When he was asked about rumors that the United States would support the Argentine position, the foreign minister stated that this country "has repeatedly stated its interest in finding a formula which will allow it to support our proposal." Aguirre Lanari then noted: "However, it has not stated its position so far" and added that "had he noticed U.S. interest in not opposing our efforts," but he "could not say yet whether it has approved the resolution which we advocate."

When he was asked whether he had a preliminary evaluation of the voting carried out in the United Nations he stated: "No, because I have no information on the outcome of some issues which Ambassador Carlos Miniz has been handling during the past few days." Aguirre Lanari added that "we know that we have a good number of votes in our favor, but we are also aware that in these issues one cannot have a clear picture until the last minute because some votes which one counts on do not appear when the time comes."

He then admitted the possibility that the results of the voting to be held at the United Nations will favorably influence resumption of relations with the EEC member countries. He pointed out that "it could be the beginning of the solution to some pending issues which are naturally involved in the overall situation caused by the Malvinas issues."

When he was asked when Venezuelan President Luis Herrera Campins would visit Argentina the minister stated that "so far we have only learned about his interest in coming but the date has not been set yet."

He then referred to the OAS meeting, which he will attend after participating in the UN Assembly, by stating that "I am not aware of the complete agenda" to be discussed at the OAS.

He ended by stating that "I am going with a clear conscience that not only myself but all the members of the Argentine Foreign Ministry and also those who do not belong to the government are working with patriotic spirit and have made a great effort." He stressed: "I want to say that we will soon come to the moment of truth and this is when we will know who are and who are not our friends."

Expectations on Malvinas

PY290243 Buenos Aires Argentina Televisora Color Network in Spanish 0000 GMT 29 Oct 82

[Text] A few minutes ago Foreign Minister Aguirre Lanari departed for the United States to resume at the UN the debate on the Malvinas Islands. We interviewed him:

[Begin recording] [Question] Minister, there are well-founded expectations regarding this new trip you are making to the United Nations. But what should the Argentine public really expect?

[Answer] The Argentine public should expect a debate that will not be easy. It will not be easy because we are determined, and we are demonstrating this determination with our actions, to exert all our effort so that the Latin American proposal -- I call it that becaudc we are fortunate that it is cosponsored, not only formally but in an effective and affective way as well -- can be successful. But this success will not be an easy one, if we are successful, because across the table is Great Britain which refuses, and it has said so publicly, any kind if negotiations in the future. This means that the resolution will not pass without discussion and, moreover, we have to sincerely admit that we expect that Great Britain will try to introduce amendments to the proposal, amendments that will not be favorable to us if they are approved.

[Question] There are two extremes of reactions: euphoria aroused by the Latin American proposal, as you call it, or the Mexican initiative on the one hand, and the sensation that this could be the last initiative, on the other hand. Which is the right viewpoint?

[Answer] I would say that neither one nor the other is absolutely correct. Being euphoric over the sensation of being accompanied by our Latin American brothers is legitimate. Euphoria over the initial backing of Latin America leading to the blief that the proposal will pass is incorrect. The truth will be what the UN General Assembly, a broader forum than the Latin American region, decides. We are striving in good company, with our Latin American brothers, to that effect. At the same time, the view that this will be the last opportunity is not true. For Argentina there won't ever be a last opportunity. Whatever the result this time, the people of Argentina neither today nor tomorrow; nor the Argentine Government, neither today nor tomorrow, will ever relinquish the legitimate right we have over the Malvinas. [end recording]

ADM GUALTER ALLARA SERVING 10-DAY ARREST

PY302351 Buenos Aires DYN in Spanish 1124 GMT 30 Oct 82

[Text] Buenos Aires, 30 Oct (DYN) -- Rear Adm, ret, Gualter Allara is serving a 10-day arrest ordered by Navy Commander Adm Ruben Franco because of statements he has made regarding Gregorio Dupont's employment at the Foreign Ministry, Navy sources said. The sources said that Allara's punishment was imposed "a few days ago," but they did not disclose when it began.

Allara was punished for having stated that Dupont, brother of the murdered publicist Marcelo Dupont, had been dismissed from the Foreign ministry for reasons which he did not know, but that they were not of a professional nature, since he was very competent official.

On his part, Dupont has repeatedly asserted that the dismissal was ordered by the former Navy Commander Adm Emilio Massera because the former diplomat had said during a private meeting that the Peronists scorned the admiral because of his participation in the March 1976 coup.

Admiral Allara served as foreign relations under secretary during the first stage of the military regime. During the Malvinas war he was commander of the sea squadron and then went into retirement.

FARMERS PROTEST GOVERNMENT MEASURES IN MENDOZA

PY292017 Buenos Aires BUENOS AIRES HERALD in English 29 Oct 82 p 11

[Text] Mendoza (DYN-NA) -- Riding tractors, trucks and farm vehicles, thousands of agriculturalists converged on the city of Mendoza yesterday to protest against the provincial government's policies by dumping 10,000 liters of wine and tons of fruit and vegetables on city streets.

A total of about 10,000 people took part in the colourful demonstration, which ended without incidents after nine farmers gave strong speeches in the central square, condemning government agricultural policy.

The eight producers' organizations which organized the protest called for the adoption of urgent measures to alleviate the economic crisis effecting grape and fruit growers.

Local shops almost unanimously closed their doors for the afternoon in support of the protest, although the industrial and commerical union did not support the action. The Brasil branch of the General Confederation of Labour (CGT) gave its "moral" support to the march, but the lack of concrete labour organization prevented the demonstration from being even bigger, organizers said.

Farmers and wine producers travelled from all over the province to join yesterday's demonstration, beginning their motorcades with trucks and tractors.

DEFENSE MINISTER ON RESULTS OF ARGENTINA TRIP

PY291353 La Paz Radio Illimani Network in Spanish 1100 GMT 29 Oct 82

[Excerpts] Bolivian Defense Minister Jose Ortiz Mercado said yesterday that the results obtained from the Bolivian official mission in Argentina went far beyond the expectations of the country. During a press conference the minister said that the greatest success of the official mission was to clarify [words incistinct] between the two countries.

[Begin Ortiz recording] I believe that the results are obvious. They are far better than we expected. [end recording]

We went there basically to negotiate the payment of pending bills according to the gas delivery agreement signed with our neighboring country, Minister Ortiz Mercado said. He added that during the negotiations the refinancing of the foreign debt [with Argentina] of the country was obtained.

[Begin Ortiz recording] During the negotiations held at the highest level with the junta of commanders and the president we obtained the refinancing of the Bolivian foreign debt to Argentina under the most suitable conditions for both Bolivia and Argentina. [end recording]

Among the secondary results he pointed out the formal and specific promise of the Argentine officials to soon sign an economic and technical cooperation agreement in support of the development plan of President Hernan Siles Zuazo's constitutional government.

He mentioned the amount of the Argentine foreign debt to Bolivia and said that the officials of the neighboring nation decided to make a payment of more than half of it. Let us listen to him:

[Begin Ortiz recording] The Argentine debt to Bolivia was about $163 million. They will now pay us a little more than half of it, since about $84 million was deposited in a trust in New York. Another important result of the mission is that we have clarified once and for all the scope of the reciprocal agreement and of the agreement on payment for gas delivered by Bolivia to Argentina. [end recording]

He concluded by praising the work of the planning and coordination minister in the Bolivian mission. He said that Arturo Nunez del Prado contributed greatly to the achievement of the favorable results for the country.

LABOR MINISTER PREVIEWS ECONOMIC MEASURES

PY302140 La Paz Radio Illimani Network in Spanish 1100 GMT 30 Oct 82

[Text] Cancellation of the dollar floating exchange rate and adoption of a fixed exchange rate are some of the measures that are part of a package that will be announced on 5 November, Labor Minister Col Julio Villa revealed officially. The labor minister also said that a labor comanagement agreement for the country's public enterprises will become a reality and that the corresponding decree will be released officially the day the set of [word indistinct] measures are made public.

The [words indistinct] assembly has been communicated to Radio Illimani by authorities after a talk between the labor minister and the workers from the (?Sair) factory.

[Begin Villa recording] That's right, a decree will be promulgated on the question of a comanagement agreement in the state enterprises. The implementation of this measure [words indistinct] in principle on 5 November. [end recording]

Regarding the cancellation of the floating rate, the labor minister noted:

[Begin Villa recording] Floating will disappear and there will be a single rate. [end recording]

Illimani also asked the minister about workers' salaries, and the minister said that the measures will provide readjustment for the sectors that are worse off.

[Begin Villa recording] Salary benefits will consist of salary readjustments aimed at favoring the lowest salaries. In some cases we will try to bring them up closer to the minimum salary if we cannot yet grant the minimum salary. [end recording]

MINERS LEADER WANTS COMANAGEMENT AT COMIBOL

PY302225 La Paz Radio Illimani Network in Spanish 1700 GMT 30 Oct 82

[Text] Juan Lechin Oquendo, leader of the Mineworkers Federation, has said about the nationalization of the mines, the 30th anniversary of which is commemorated tomorrow, that this victory by the working class has unfortunately been sabotaged from the beginning. He said that the primary intent of the decree which nationalized the mines was to supply new capital, but the government of those times never complied with the decree. Lechin stated that profits from the mines were transferred to the Bolivian Government oil deposits and other places. He said that the following governments pursued the same policy of sabotage and that in those 30 years the Mining Corporation of Bolivia (Comibol) had three major crisis and is now in the third of them.

Lechin further recalled that the National Revolutionary Movement cancelled the so-called workers control and thus initiated the shady deals and the growth of bureaucracy. Referring to the latter, he said that it is now riding as an octopus on the back of Comibol. In the last 30 years the governments have shown their incompetence in the administration of the state enterprise, and it is, therefore, necessary to introduce comanagement in order to save the foremost mining organization of the country. He said that the mineworkers are making this proposal at a time of crisis, not one of prosperity, in order to show that the workers are confident that they are capable of improving the Comibol situation.

IDB, UN OFFER MAXIMUM ECONOMIC COOPERATION

PY291540 La Paz Radio Illimani Network in Spanish 1100 GMT 29 Oct 82

[Excerpt] The United Nations and the Inter-American Development Bank[IDB] are willing to give their maximum cooperation to Bolivia so that it can solve its critical economic situation in a short time and with as little suffering for the people as possible, said Javier Silva Ruete, economic adviser to the two organizations.

The foreign official, former Peruvian economy minister during Gen Francisco Morales Bermudez' government, has arrived in the country to advise the constitutional government regarding the refinancing of the public foreign debt and the fiscal balance of the country, he told the press.

Yesterday before the beginning of the cabinet session he had a meeting with President Hernan Siles Zuazo at government palace. He was accompanied by the resident IDB and UN representative in La Paz (Pedro Mercader). He said that his participation in the studies is a positive answer to the request made by the Bolivian Government at the time when it took over the rule of the nation.

MARITIME AGREEMENT WITH USSR RENEWED

PY291408 Rio de Janeiro O GLOBO in Portuguese 28 Oct 82 p 23

[Excerpt] Brazil and the USSR have agreed to renew their maritime agreement after 3 days of talks held in Rio de Janeiro. The Brazilian and Soviet fleets will get equal shares of cargo.

Luis da Motta Veiga, director for navigation of the National Merchant Marine Superintendency, has reported that one of the problems for maritime traffic was the jamming existing in Soviet ports. He noted, however, that this problem is being solved.

Motta Veiga said: In Leningrad, our ships had to wait as long as 23 days to unload their cargo. We have now secured a preferential treatment for Brazil and therefore the expenditious release of our ships from Soviet ports will be guaranteed.

Viktor Mikhaylovich Nikolaychuk, deputy minister of maritime fleet, has twice declined to make a statement to the press. On Monday, he claimed to have a "very busy agenda" and on Tuesday, on leaving the Terrace Club Restaurant, he said he did not understand a journalist's question in English. One adviser said Nikolaychuk prefers to state his opinion in an official note.

CIVILIAN NAMED TO HEAD GOVERNMENT ARMS INDUSTRY

PY290300 Rio de Janeiro LATIN AMERICA DAILY POST in English 28 Oct 82 p 1

[Text] Brasilia (DAILY POST) -- Jose Luiz Whitaker Ribeiro, the civilian who built Engesa [Specialized Engineers, Inc.] into a major armored car manufacturer and exporter, took over Wednesday as president of the government's arms industry, Imbel -- Industria de Material Belico de Brasil [Brazilian Ordnance Industry].

Whitaker is the first non-military man to head Imbel. He replaced Gen. Arnaldo Calderari after a ceremony presided over by Army Minister Gen. Walter Pires.

Calderari said that Imbel was poised for expansion.

The company has begun an investment program of some cr$1.7 billion.

With Whitaker taking over the government arms factory, speculation was scotched that the company would be turned over to private enterprise.

"There is no such plan," said Gen Jose Magalhaes da Silveira, the officer who runs the army's war materials department. "The company should continue with the same structure as always for national security reasons."

Whitaker will not leave Engesa but rather will take on the Imbel job as an additional duty.

FOREIGN MINISTER PAYS 2-DAY VISIT TO SAUDI ARABIA

For Saudi coverage of Foreign Minister Ramiro Saraiva Guerreiro's visit to Saudi Arabia, beginning on 29 October, including a report on his meeting with his Saudi counterpart, see the Arabian Peninsula section of the 1 November Middle East and Africa DAILY REPORT and subsequent issues.

GUERRILLA ACTS REPORTED ON EVE OF AMNESTY

PA301745 Paris AFP in Spanish 2228 GMT 29 Oct 82

[Excerpts] Bogota, 29 Oct (AFP) -- The Colombian guerrilla movement, which stands to benefit from the amnesty that Congress is to approve next week, broke out in a violent rampage today, with three bank robberies, a kidnapping and the occupation of a school and a radio station, the police told AFP.

The most daring and bloody action was carried out in Chia, 40 km north of Bogota, by 40 men wearing hoods, who identified themselves as members of the leftist 19 April Movement (M-19). Seven persons were killed and two were wounded in that action.

In the meantime, another M-19 group kidnapped rancher Mario Salcedo near Puerto Tejada on the Pacific Coast, some 600 km southeast of Bogota.

The same source also reported that M-19 guerrillas seized a CARACOL network radio station in Popayan, the capital of Cauca Department, and read a 30-minute communique in which they reiterate that they will accept the amnesty but will not give up their arms. The guerrillas also occupied the municipal public enterprises building in Popayan and a school west of Bogota, where they distributed subversive propaganda, leaving before the police showed up.

These subversive actions all took place in the past 24 hours. Meanwhile, members of the pro-Castro Army of National Liberation (ELN) killed a university professor and an official from a military institute in Medellin, 500 km northwest of Bogota.

The Revolutionary Armed Forces of Colombia (FARC) are accused of kidnapping three wealthy ranch owners in Santander, Valle and Cesar departments.

The amnesty that Congress will finally pass next week will include those who were involved in these recent crimes, because it is intended to benefit people accused of political crimes like rebellion, coup attempts, sedition, kidnapping and extortion. All that is demanded from the guerrillas is that they release the 47 people they have captured.

Two Newsmen Believed Kidnapped

PA311810 Bogota Cadena Radial Super in Spanish 1730 GMT 31 Oct 82

[Text] Bucaramanga -- Two newsmen are said to have been kidnapped in this city by the Army of National Liberation [ELN]. The newsmen are Pastor Vega, who works for the CARACOL radio network; and Manuel Hernandez Torres, of the Todelar circuit of Colombia. Both have been missing since Friday.

Neither of the two newsmen has been seen since Friday morning. It is therefore believed that they have either been kidnapped or were invited by the ELN to attend a regional summit that the ELN has scheduled for early November in southern Santander Department.

M-19 Appears Split on Amnesty

PA311859 Paris AFP in Spanish 0221 GMT 31 Oct 82

[Text] Bogota, 30 Oct (AFP) -- It was learned here today that a division within the clandestine M-19 [19 April] Movement apparently took place in the last few hours when a faction rejected the amnesty offered the Colombian Government and advocated the continuation of armed struggle.

In a communique sent secretly to the privately-owned station Radio Cadena Nacional (RCN), the M-19 states that the amnesty is incomplete. Because of this, the movement will not lay down its arms, despite the conciliatory attitude of its political command, which seems willing to accept the benefits of that law.

According to the radio station, the rebels' communique states that "we proclaim once again today that our struggle will not cease, because the proper conditions for laying down our weapons do not yet exist. We will continue our activities as long as the brutal military offensives against the peasants and guerrillas continue."

The document, entitled "Operation Peace for Colombia," asks the government to demilitarize the combat zones, to dismantle the Death to Kidnappers (MAS) organization, which is described as paramilitary, and to freeze the public service rates and the prices of basic commodities.

The document also demands "a broad national dialogue that will make it possible to reach agreements about the country's future." Further on, it announces that the M-19 expects the amnesty to be enacted, so that it can observe its effects, but reiterates that it will not lay down its weapons.

The communique, the authenticity of which is yet to be confirmed, might hamper the approval of a pardon for the rebels, according to the news media and observers. A debate in the lower chamber is the only thing still pending before the bill can be submitted to President Belisario Betancur for his signature, at which time the bill would become law. This will probably take place next week.

Finally, analysts expressed doubts about this new stance by the M-19, for while some speak about a division within its ranks, others point to the likelihood that this statement was released by this extremist organization's hardline faction, for as yet undetermined reasons.

MINISTER DENIES MILITARY CONNECTION TO MAS

PA291929 Bogota Radio Sutatenza Network in Spanish 1200 GMT 28 Oct 82

[Text] Defense Minister Gen Fernando Landazabal Reyes insists that the organization Death to Kidnappers, MAS, is made up of common criminals intent on discrediting the armed forces. The military officer said this is a letter to Attorney General Carlos Jimenez Gomez. The letter noted that MAS members have encouraged the erroneous interpretation. The general defended the probity of the armed forces.

LABOR GROUPS REQUEST 117-PERCENT WAGE INCREASE

PA291915 Bogota Radio Sutatenza Network in Spanish 1200 GMT 28 Oct 82

[Text] The labor federation of the country have asked the government for a 117-percent wage increase. Manuel Felipe Hurtado, president of the Confederation of Colombian Workers, told this newscast that the percentage is equivalent to the daily stipend for Congress members and the request is based on the current cost of the family market basket. The labor leader indicated that the proposed amount would increase the minimum wage to 17,000 pesos, which is currently the cost of the family market basket for low-income families.

MINISTER SAYS MILITARY WILL UPHOLD CONSTITUTION

PA291646 Quito Voz de los Andes in Spanish 1130 GMT 29 Oct 82

[Text] National Defense Minister Gen Jorge Maldonado Mino has noted that the reports that the Armed Forces are promoting a de facto regime are unfounded rumors.

I have repeatedly stated that the Armed Forces are devoted to their specific duties and are aware of the mission they have to carry out. Consequently, the rumors are unfounded, the minister said. I have frequently said that the constitution tells us that our mission is to guarantee the country's legal process. That is our mission and we will continue to carry out the mission that the constitution has prescribed for us, that is, to support the legal process in our country.

We have received reports that there are foreign activists in the country promoting agitation. Our intelligence service is investigating the truth of those reports, he said.

FINANCE MINISTER ON RENEGOTIATION OF DEBT

PA292318 Quito Voz de los Andes in Spanish 1130 GMT 28 Oct 82

[Text] Pedro Pinto Rubianes, Ecuadorean finance and credit minister, has reported that the Ecuadorean Government has decided to pay only the interest on its foreign debt while the debt is being renegotiated.

[Begin Pinto Rubianes recording] With the approval of the creditors, it has been decided not to make payments on the foreign debt until it has been renegotiated and its terms and conditions have been established. We are renegotiating $1.2 billion of the country's foreign debt, which totals $4.6 billion. I also want to explain that we are not negotiating the debt with the private sector. The Central Bank of Ecuador will see that funds are available to meet capital and interest obligations to the private sector as they come up.

We expect that the members of the IMF mission will spend 15 more days in Ecuador. They are almost through gathering the data they need and appraising the situation. We hope that by next week we can get together with them to hear the conclusions they have reached. [end recording]

NAVY SEIZES THREE PERUVIAN FISHING BOATS

PA300402 Paris AFP in Spanish 1634 GMT 29 Oct 82

[Text] Guayaquil, Ecuador, 29 Oct (AFP) -- Ecuadorean official naval sources reported today that three Peruvian fishing vessels were captured yesterday in Ecuadorean waters while engaged in fishing activities without an official permit.

A naval spokesman said that the fishing directorate will have to determine the legal status of the Peruvian fishing crafts. These ships are the 15-ton "Nueve de Octubre," commanded by Francisco Vite; the 14-ton "Milagro de Jesus," whose captain is Jose Pantal; and the 11-ton "Tres Hermanos," commanded by Luciano Pinday.

The three vessels were captured by a patrol boat of the Ecuadorean Navy at latitude 03' 12" south and longitude 80' 41" west. The vessels had several tons of fish on board.

BELAUNDE TO VISIT U.S. 9 NOV AS SCHEDULED

PA300037 Madrid EFE in Spanish 0015 GMT 30 Oct 82

[Text] Lima, 29 Oct (EFE) -- Peruvian President Fernando Belaunde Terry today confirmed that he will go to the United States on 9 November, although a number of difficulties over the past few days might have led to the trip's postponement.

Fernando Schwalb Lopez Aldana, first vice president and ambassador to the United States, said at the government palace that Belaunde will be in Washington on 9 November as scheduled.

Belaunde analyzed the domestic and regional situation this week before deciding to go to Washington in response to an invitation from Ronald Reagan.

TERRORISTS KILL GUARD AT INDIAN EMBASSY

PY291722 Paris AFP in Spanish 1428 GMT 29 Oct 82

[Text] Lima, 20 Oct (AFP) -- A policeman on duty at the residence of the Indian Embassy was shot dead in the head last night by a group of alleged terrorists who took the guard's gun and submachinegun, police reported today.

The policeman, Julian Cocchi Benites, 25, who was on duty at the Indian Embassy -- located in the Miraflores district -- responded to the suprise attack launched by a group of six young men and was shot in his left temple.

Three policemen have been attacked so far this year, in similar circumstances, for the purpose of stealing their weapons.

ARMS CACHE FOUND, SEVERAL PEOPLE ARRESTED

PY291127 Lima EL COMERCIO in Spanish 22 Oct 82 p A-10

[Text] The Civil Guard has found large quantities of propaganda literature, pamphlets and communist membership documents as well as ammunition for machineguns and revolvers during a raid carried out at noon yesterday in a house in Brena whose occupant, Justo Estrada Kelly, abandoned it months ago.

Estrada Kelly was later arrested in Callao at his sister's house along with three other people who were turned over to the State Security Directorate of the Peruvian Investigations Police (PIP).

The house, located on 342 Jiron Caqueta, Apartment 303, was rented by painter and carpenter Justo Estrada Kelly. Pamphlets and Marxist propaganda and documents were found in the house including 66 rounds of ammunition for submachineguns and 34 rounds of ammunition for revolvers.

One of the documents had an address which belonged to Estrada Kelly's sister and this is where Antonio Rojas Bello and the brothers Juan Antonio and Rodolfo Yuri Rojas Estrada, sons of the landlord, were arrested.

Justo Estrada Kelly was arrested later. All those arrested were turned over to the PIP State Security Directorate. Later the brothers Juan Antonio and Rodolfo Yuri were released when it was proven that they had nothing to do with their uncle's activities.

CTM ANNOUNCES POSTPONEMENT OF STRIKE DATE

PA301837 Mexico City International Service in Spanish 0200 GMT 30 Oct 82

[Excerpt] The Confederation of Mexican Workers (CTM) decided today to postpone the strike that had been scheduled for 1 November until 11 November. CTM leader Fidel Velasquez explained that to date only 12 percent of the labor conflicts (?resulting from) wage increase demands have been resolved.

EDITORIAL PRAISES DE LA MADRID FOREIGN POLICY

PA292350 Mexico City International Service in Spanish 0200 GMT 28 Oct 82

[NOTIMEX editorial: "De la Madrid Confirms Foreign Policy," by Rodolfo Pena]

[Text] President-elect Miguel de la Madrid has definitely confirmed that in the coming 6 years there will be no change in Mexico's foreign policy toward Central America and the Caribbean. This means that friendship with Cuba and Nicaragua will be maintained, that some Salvadoran subversives will be regarded as political factions and that Guatemalan refugees will continue to get asylum and support if they cross the border fleeing the indiscriminate terror reigning in that country or merely as refugees.

Regarding the latter, De la Madrid went still further. He said that a specific legal status will be sought for those refugees, so that their stay in our country will not be subject to doubts or abuses.

In a sense De la Madrid's position might seem to be merely routine, confirming a well-known tradition. However, this is not the case if we bear in mind present relations between countries in the area and the United States.

Some liberal-minded U.S. congressmen have opposed the strategy followed by Reagan's government. This strategy involves Mexico in a direct way. One of the first steps in this strategy is the unleashing of an open war between Honduras and Nicaragua. The Honduran Army has been supported with modern land and air weapons, U.S. military advisers and the joint training of nearly 5,000 Somozist guardsmen who fled their country, some with important military equipment, when the Sandinists won.

After that grotesque war is unleashed -- there are no insurmountable differences between the two countries -- the way would be paved for massive intervention by the Marines to put an end to the Nicaraguan revolution and the rebels in El Salvador, Guatemala and Honduras under the pretext of pacifying the area. We would have the peace of the grave in Central America, with the star-spangled banner waving in our skies.

If this happened Mexico would be faced on its two borders by the same imperialist forces and would be forced to negotiate with them at a disadvantage on all matters, especially the foreign debt. We would not be able to start talks with creditors on renegotiating the debt, and Mexico would be isolated from its points of support for that foreign policy whose pinciples have distinguished our country in the last decades, and which at present is irritating to the United States. Therefore, the Mexican foreign debt would have to be paid with the accrued interest using uranium, disadvantageous fishing contracts and oil. Those are Reagan's plans.

Of course, the people's concrete reply remains to be seen. We presume the plans for Vietnam were much worse. Many hysterical voices in the United States asked that Vietnam be wiped off the map of Southeast Asia with a few atomic bombs, and we all know what happened there in the spring of 1965 [as heard], how the puppets had to give up their costly adventure.

How will Cubans and Central Americans reply? Surely they will reply differently from what the Pentagon thinks.

For the time being, Miguel de la Madrid has replied with a confirmation of a foreign policy that is far, very far, from being routine.

ASSEMBLY OFFICIALS COMMENT ON 27 OCT MEETING

PA292257 Panama City Televisora Nacional in Spanish 2300 GMT 27 Oct 82

[Text] President Ricardo de la Espriella and Gen Ruben Dario Paredes held a lengthy meeting today with Panama Province Corregimiento representatives. Ivan Zurita reports:

[Begin recording] The executive branch and the representatives of Panama Province today discussed the possibility of reforming the national Constitution through a plebiscite that would be convoked by the president of the republic on the authorization of the Assembly of Corregimiento Representatives.

The 3-hour meeting, attended by President de la Espriella; Gen Ruben Dario Paredes, commander in chief of the National Guard; several Cabinet ministers; and the Corregimiento Representatives of Panama Province took place behind closed doors in the auditorium of the presidential palace.

What you are viewing now was filed and supplied to us by the presidency's public information office.

Journalists had to wait outside the auditorium for 3 hours, but inexplicably the news team of (Cinelsa) -- an enterprise that produces documentary films -- composed of (John Hayman), (Martine Bonifati) and photographer (Rogelio Achurra) was allowed in.

The meeting went on from approximately 1030 to almost 1400. [end recording]

Heriberto Bernal, vice president of the Assembly of Corregimiento Representatives, also participated. He was interviewed by Ivan Zurita as he left the meeting.

[Begin recording] [Question] What matters were discussed during this 3-hour meeting with the general and the president?

[Answer] One of the subjects discussed was the possibility of reforming the national Constitution. We also discussed isolated subjects, such as government support for corregimiento representatives and 1983 investment projects, but the main subject, generally speaking, was the possibility of reforming the Constitution.

[Question] What are the key issues regarding constitutional reform?

[Answer] The key points were: the participation, the choosing, of the legislators for 1984. As you know, the assembly now chooses four legislators from among the provinces and two more are chosen through popular votes. This choosing of legislators was one of the main points under discussion. Another main issue was the election of mayors through popular voting. We also discussed the status of the public force -- the National Guard -- in the government structure.

[Question] According to the information we have regarding the election of legislators by the assembly, it has been proposed that there should be a reduction in the number of provincial representatives.

[Answer] Well, this is one of the isolated proposals made by some representatives who gave their opinion, but there is nothing specific on this.

[Question] Regarding how the Constitution would be reformed, is it true that there could be a plebiscite, or that the president will be given special powers?

[Answer] Right Panama Province is unanimously authorizing the president of the republic to present the reforms to the people so they can vote on them.

[Question] As ice president of the assembly for Panama Province, how do you evaluate this meeting?

[Answer] Generlly speaking, I believe it is right for the people to vote on the new constitutional reforms.

[Question] Did the representatives favor the executive's proposal to reduce the number of provincial repesentatives?

[Answer] I sincerely believe that many agree with that, but there was disagreement with the idea that all provinces should have the same number of legislators. It was noted that there are provinces with small populations, such as Darien and Bocas del Toro, that have the same numbe of legislators as Panama Province, and Panama Province has a large population.

[Question] Wha did the executive say to the representatives regarding their interest in approving the national budget?

[Answer] The executive hopes that the appointed commission, and the participation of corregimiento representatives in this reform; well, they expect that....[changes thought] We began with Panama Province; later the other provinces will come, and then there will be a general analysis. [sentence as heard] There is nothing specific in this regard. [end recording]

After listening to Heriberto Bernal, vice president of the national assembly, we will now listen to Soteo Alfonso Govea, president of the assembly, who was also interviewed by Ivan Zurita.

[Begin recording] [Question] Mr President, how do you view this 3-hour dialogue with the executive?

[Alfonso Govea] This has been a very positive dialogue. It was positive because we have learned from the great teacher whose philosophy we follow, and we are sure that the high command and the national government will apply this philosophy. We met with Panama Province representatives on a request from myself and the assembly vice presidents from the various provinces of the republic. The meeting was to discuss some questions that the 505 corregimiento representatives had. We wanted a frank and open dialogue to reach realistic conclusions and to let everyone make recommendations. The idea is to implement true democracy among ourselves.

[Question] What was the main position presented by the representatives to the executive?

[Answer] The main topic was the constitutional reforms. We talked about the mechanisms and the ways to go about it, about what is suitable and what is not. Logically, we reached the conclusions that we, that is, Panama Province, will authorize, and we authorized the president of the republic to start organizing a high-level commission that would immediately start studying reforms to the Constitution, as long as the corregimiento representatives, through the vice presidents and the president of the assembly, can make their recommendations. [end recording]

DE LA ESPRIELLA SPEAKS BEFORE LABOR LEADERS

PA292127 Panama City Televisora Nacional in Spanish 2300 GMT 28 Oct 82

[Speech by President Ricardo de la Espriella at a 27 October meeting of labor leaders held at the National University auditorium in Panama City -- recorded]

[Text] There are many things I could say today. Several days ago I said it is not easy for a president to tell the people about the sometimes painful realities that the country is experiencing.

I want to be sincere with you today. I have not come here seeking applause or popularity. I am not going to speak like a demagogue, nor will I lie to you. I am respectfully going to tell you the truth so that it might help you in your debates.

We are all aware that in the last 10 years this country has attained a broad range of freedoms to develop and strengthen labor organizations and defend labor gains. I am taking advantage of this opportunity to confirm the government's unwavering policy of full respect for the Panamanian labor movement and its legitimate rights and gains. It is up to organized labor, however, to contribute fully to consolidating the country's social, economic and political progress and development, so that we may jointly help to meet the country's basic needs. We are all part of this nation. A powerful group in [words indistinct]. We must work jointly to preserve national development in order to meet the people's hopes.

We are all aware that we are facing a difficult crisis in our country, in this area and throughout the world. A few minutes ago I had a working meeting with the Costa Rican vice president. He said that we might be able to ease this crisis somewhat, but that much remains to be done in order to resolve it. It is very hard for a president to tell the people these things. I have always been told that the president of a country must give the people hope and tell them pleasant things, that he should not worry them, so there will be no unrest. My conscience does not allow me to do that. It tells me that I must tell the people the truth and nothing else. The task faced by the government, the labor movement and private enterprise should be understood in this context of national realities.

I would like to mention several topics. We speak of the government following a policy of austerity and efficiency. This policy, however, should also be followed by all the other sectors of the country. The nation's resources should be used in the best possible manner to benefit all the people. I sincerely believe that the example must be set at the top. We cannot demand the lower ranks to sacrifice themselves if we at the top do not set an example of austerity, efficiency, and sacrifice. I believe this is in the best national interests. We must also seek ways to make the best possible use of our resources, without penalizing the poorer classes.

There has been much talk lately, and I believe that mentions of amendments to the labor code have created a false impression. The word amendment is possibly being misused. Why not say, let us improve the labor code? What are we trying to do? We are trying to adapt labor laws to the nation's realities. How can we improve regulations governing output and productivity without reducing or harming the workers' gains? How can we make Panamanian enterprises more productive so there will be more jobs?

We believe that we seek ways not to affect small enterprises economically -- enterprises often owned by one of us -- so that the enterprise will not fail, because when an enterprise goes out of business the small group of people working in it are also affected. [shouts, slogans] I advocate the establishment of a special program to train workers, to train apprentices who will be guaranteed a profession that will grant them job stability. There should be a special program for agro-industrial workers sponsored by those enterprises. These programs should also apply to farmworkers and, I repeat, our intention is not to undermine the workers' rights. Our intention is to create opportunities for the workers. That is why I believe that when we speak of amendments, the word amendment is being misused. I believe we should speak of improvements. Let us hope that no enterprises try to take advantage of these intentions to exploit, decrease or undermine the gains obtained so far by the labor movement.

It is not a question of undermining labor gains. What we are trying to do is guarantee the Panamanian citizens' full individual and group rights. One of those rights is the true guarantee of the exercise of political democracy with equal opportunities for all. We have often said, and these are not mere words, that we must guarantee full and honest elections that will be the basis for a system of government that truly reflects the people's will, and that all sectors will have access to political and legislative debates. We are also worried about -- a survey has just been completed, and I would not like the year to end without us having achieved this -- the raising of the minimum wage. We are greatly concerned about the cost of living in Panama. It is true that there is worldwide inflation and there are international financial problems that affect Panama.

However, the truth is -- and I say this frankly -- that although those problems exist, we Panamanians cannot just sit back because there are problems in other parts of the world. We are facing these problems here in Panama, and this is where we must solve them. We cannot tell you that we have problems here because there are problems in Colombia, Venezuela or Nicaragua. We must solve Panama's problems somehow. We are aware that the economy of the poorer classes is being hard hit. One of our main goals is to try as much as possible, as much as possible, to maintain the cost of living at a proper level. At least we will try to prevent it from going up. We will try to reduce the cost of articles as much as possible, according to measures to be adopted. The financial cost of articles in Panama should decrease in line with decreases in other countries, for the benefit of the masses.

We are going to try to provide jobs, giving as many guarantees as possible -- without undermining national dignity -- to foreign investors who want to settle here, so they can bring their capital, their technology and their know-how so Panamanian workers can see better days.

One of the government's priorities for 1983 is the housing sector. We want to continue developing housing programs in line with reality. These housing projects should truly favor the poorer classes. Their cost should be accessible. Public works and housing generate jobs and help curb unemployment.

There has been much comment on the social security problem. Workers are concerned. They ask, what is going to happen? Where are the Social Security Institute's reserves? What will become of our retirement pensions and our welfare benefits? You may rest assured that, thanks to God, the social security problem is being settled, and the institution's financial stability is not in danger.

We are rapidly trying to overcome bureaucratic problems now hindering us so that we can keep on developing housing programs. These programs, I repeat, were not badly designed. For some reason or another these programs were not well managed, but that does not mean we should conclude that the program was bad. It was not a bad program because it was designed to provide housing for the middle and lower classes, and to provide jobs. We are trying to solve the financial and management problems in order to guarantee that the reserves and financial stability of the Social Security Institute will in no way be affected.

Other cases are also being mentioned. This morning I read in the papers that it is being asked that the IRHE (Institute of Hydraulic Resources and Electrification) rates be increased due to the present financial situation. Let me tell you this: The IRHE rates will definitely not be increased. They will not go any higher. We are creating a commission to analyze production costs so that energy costs will not rise, and to reduce them if possible. I cannot promise you that rates will go down; however, I can tell you that they will not go up.

We believe in the concept of state enterprises. Some state enterprises must be maintained out of necessity and strategy because of their nature and their size. Only the state can maintain them, develop them and make them progress. There are others that we believe can be operated jointly with private enterprise because of a lack of state funds. There are also other enterprises that can be operated jointly with the working masses. We believe, however, that any type of enterprise must be efficient and must offer the country what the country expects of them. This in part depends on the zeal shown by the workers of the state enterprises. Workers must defend them, making them more productive and not just bureaucratic factories.

DE LA ESPRIELLA COMMENTS ON PEOPLE'S POWER

PA310351 Panama City LA REPUBLICA in Spanish 28 Oct 82 pp 1, 10

[Excerpts] Today the National Assembly of Corregimiento Representatives authorized the president of the republic to appoint a commission to propose constitutional reforms that will then be voted on in a plebiscite. The authorization came at the end of the assembly meeting held this morning with President Ricardo de la Espriella, National Guard Commander Ruben Dario Paredes and a delegation of jurists.

It will be up to the president, who has been authorized by the National Assembly of Corregimiento Representatives, to appoint a special commission of jurists that will propose constitutional reforms thus beginning a process that will culminate with a plebiscite to approve or disapprove the proposed reforms.

In his speech opening today's meeting, President de la Espriella affirmed that "the people's power is not at stake" with the reforms to the national Constitution. The president said that by improving the Constitution, the achievements that have been secured until now, the process and the participation of the honorable corregimiento representatives will be deepened.

De la Espriella reiterated that the objective of the reforms is to make the Constitution responsive to the current political situation in the country and the world so that there may be broad participation in 1984 and "to let the people pass judgement on our actions."

COSTA RICA

CHRISTIAN DEMOCRATIC LEADERS MEET IN SAN JOSE

PA311617 San Jose Radio Reloj in Spanish 0130 GMT 31 Oct 82

[Text] A meeting of Central American Christian democratic leaders opened in San Jose at noon today in commemoration of the 20th anniversary of the foundation of the Christian Democratic organization in Costa Rica. The following representatives have come to our country to attend this meeting, which will end tomorrow: Luis Adolfo Rey Prendes of El Salvador, Adan Fletes of Nicaragua, Guillermo Cochez of Panama and (Luis Santos) of Honduras.

They will discuss Christian Democracy's role in the area, according to Dr Rafael Alberto Grillo, president of Costa Rica's Christian Democratic Party.

The Central American Christian Democratic leaders feel that the situation in their countries is worrisome and demands prompt solutions.

With regard to El Salvador, Rey Prendes said the achievements of Jose Napoleon Duarte's government, particularly those involving agrarian reform, are now in danger because of the extreme right's intransigence.

For his part, Nicaraguan leader Fletes said that his country's situation is tense, but that this tension has been reduced through the dialogue between the political parties and the government. He said, however, that they see the danger of a war in Central America and that it is necessary to take some action to avoid an armed confrontation.

According to Panamanian Christian Democratic leader Cochez, the military sector's participation in the political campaign, in its effort to attain power, might affect the democratization process in his country. In view of Gen [Ruben Dario] Paredes' presidential aspirations, it appears that the military sector is seeking to perpetuate itself in power. This would affect the process of democratization in Panama, Cochez added.

The Honduran leader said the Christian Democrats have filled a vacuum in the opposition to Suazo Cordova's government. (?According to him) his sector has criticized the government's foreign policy, which they see as prejudicial to their country's democratic process.

Meanwhile, Costa Rican Christian democratic leader Grillo has explained that, on the occasion of his party's 20th anniversary, the Central American Christian democratic leaders were invited to participate in a joint review of their domestic and foreign policy views. We are part of an international organization, even if our domestic political work falls within the particular characteristics of Costa Rica, Dr Grillo added. From this review we expect [words indistinct] to strengthen the Christian democrats' participation in national politics, the former deputy said in conclusion.

SECURITY MINISTRY REORGANIZES BORDER PROTECTION

PA301644 San Jose Radio Reloj in Spanish 0100 GMT 30 Oct 82

[Text] Public Security Minister Angel Edmundo Solano has announced a new personnel reorganization on both of the country's borders has been carried out, on the basis of the principles of security established by the Constitution, which stipulate the Public Security Ministry's obligation to defend the integrity, security and sovereignty of Costa Rican territory, and on the basis of the ministry's internal organization.

The reorganization was undertaken for three essential reasons: first, because important sections of the territory were left unprotected; second, because the Costa Rican president has declared the neutrality of border regions; and third, because there has been proven violation of Costa Rica's fiscal laws in those areas.

The Public Security Ministry reorganization on both of the country's borders will take effect on 1 November. The Atlantic command will be in charge of all aspects of guarding and patrolling a 30 by 150 km area, the minister said. On the border with Nicaragua it goes from Los Chiles to the zone of Tortuguero, while on the border with Panama there will be posts in Tres Amigos and San Jorge. The communications headquarters will be in Puerto Viejo, Sarapiqui, as there are facilities there. The primary guard post will also be located in Puerto Viejo, Sarapiqui, because of air, land and river transportation facilities.

The security minister also said there have been a considerable number of complaints in that zone of possible arms trafficking and actions that might violate Costa Rica's integrity. The Atlantic command will ensure vigilance over all of northern Costa Rica, which will help to maintain good relations with border authorities in that sector.

AMBASSADOR TO NICARAGUA RECALLED FOR CONSULTATION

PA301451 San Jose Radio Reloj in Spanish 0100 GMT 30 Oct 82

[Text] Foreign Minister Fernando Volio Jimenez has recalled Jesus Manuel Fernandez, Costa Rican ambassdaor to Nicaragua, for consultation on the latest note from the Sandinist government, which sets conditions for the agenda of the foreign minister's visit to Managua.

As the Nicaraguan Government has excluded the subject of the forum for peace and democracy from the talks that Volio would have during a possible visit to Managua, the foreign minister called on Ambassador Fernandez for more details. It has been learned that Fernandez will be meeting with Foreign Minister Volio Jimenez tomorrow.

EL SALVADOR

ASSEMBLY DISCUSSES FDR-FMLN PROPOSAL REJECTION

PA301724 San Salvador EL DIARIO DE HOY in Spanish 29 Oct 82 pp 3, 70

[Excerpts] Yesterday's discussion of the rejection of negotiations with the terrorists led to the disclosure of two facts that were termed interesting by the deputies: first, that President Alvaro Magana has a copy of the terrorists' proposals; and second, that the Revolutionary Democratic Front, FDR, was left without dollars in Mexico because of that country's economic collapse.

Later in the session, a petition presented by the Nationalist Republican Alliance, ARENA, was read. The petition, signed by all of the ARENA deputies, expressed their opposition to a possible negotiation between the FDR-FMLN and members of the central government. ARENA affirmed in the petition that "rumors have increased," but states that the practical thing would be to avoid any friction with the terrorists, as they are only waiting for the opportunity to win points in their favor.

ARENA indicated that the terrorists want to impose their ideas with blood and fire. The petition ends by asking the assembly to reject such a proposal, to prevent the guerrillas from playing with the country's destiny and to make this denial known at both the national and international levels.

Deputy Castillo Claramount then spoke, saying that it was significant that the public attending the assembly had come only to support ARENA's viewpoints. He said that similar situations are experienced in totalitarian countries, where officials are forced by pressure to adopt decisions against their will.

He then said that Maj Roberto d'Aubuisson had only minority support and warned him that the responsibility for securing peace in the country was at stake. "You cannot change decisions by using your post," he said.

Castillo said the country is at a momentous juncture and noted that calm was required before a decision could be made. "I am neither affected nor concerned by pressure," he said. (At that moment the public started to whistle and shout against Deputy Castillo. D'Aubuisson was forced to intervene to stop the disorder, warning the people that he would clear the assembly hall if they continued to disrupt the meeting.)

Resuming his speech, Castillo said that such an important decision should not be handled like a Roman circus. He also said that "dialogue" is a problem that concerns the executive branch primarily and that it should be solved there. He called for a serene, intelligent and complete analysis of the issue. He ended by saying that the Christian Democrat Party opposed ARENA's petition and that the decision should be made by the appropriate commission.

D'Aubuisson denied that he himself had a copy of the FDR document, but affirmed that he had learned that some priests had delivered the proposal for dialogue to President Magana on Thursday. He also said that any question about these negotiations should be addressed to President Magana.

When the debate ended, the board of directors decided to transfer the ARENA petition to the appropriate commission for the necessary handling.

GARCIA: WE OBEY PRESIDENT'S DECISIONS

PA301815 San Salvador LA PRENSA GRAFICA in Spanish 29 Oct 82 pp 3, 13

[Excerpt] "The armed forces' position is quite clear and defnied: We obey the decisions made by the president," Defense Minister Gen Jose Guillermo Garcia said yesterday when questioned about an alleged dialogue between the government and the extremist organizations.

Minister Garcia emphasized that President Alvaro Magana will make the official reply concerning the dialogue, as provisional president and commander in chief of the armed forces. Each and every member of the military organization must obey and support everything he decides on this subject, which has become national and international news.

"In any case," Garcia assured, "it is necessary that the members of the extreme leftist groups lay down their weapons before talking about dialogue or any other type of negotiations to bring peace to the country."

GARCIA ON 'SO-CALLED OCTOBER OFFENSIVE'

PA311356 San Salvador LA PRENSA GRAFICA in Spanish 23 Oct 82 pp 4, 47

[Excerpt] Defense Minister Gen Jose Guillermo Garcia commented yesterday that the terrorist offensive is an effort to destroy the nation's economy and the people themselves, rather than military targets, since the subversives are merely seeking publicity in their attacks.

He added that so far the clandestine organizations' "so-called October offensive" has merely sought to divert the armed force's attention with attacks on border towns and skirmishes in the interior. The idea has been to make the armed force neglect its mission of safeguarding vital areas, which deserve much more attention than those attacks through which the subversives are seeking to obtain domestic and international publicity.

He mentioned several examples, including that of RASA [expansion not given], whose facilities were slightly damaged 2 nights ago. According to the minister, these actions are an effort to affect the people themselves, in reprisal for their lack of cooperation when strikes, work stoppages and other actions intended to create problems for the government have been announced.

"If we wanted to recover Las Vueltas, Perquin, Torola, El Jicaro and San Fernando, we could do it very quickly," General Garcia said. "We have not done so, however, because we know that they want to divert our attention, so that we will cease to protect certain areas that are vital to the Salvadoran economy."

"We will not fall into their trap, because the people's struggle is much more important to us; we will continue to fight on their side," he asserted.

ARMY CLAIMS GUERRILLA OFFENSIVE KNOWN BEFOREHAND

PA301642 Panama City ACAN in Spanish 2310 GMT 29 Oct 82

[Text] San Salvador, 28 Oct (ACAN-EFE) -- Gen Jose Guillermo Garcia, Salvadoran defense minister, and Col Rafael Flores Lima, Salvadoran Army chief of staff, said at a news conference today that the army knew all along about the plans for the current guerrilla offensive.

The military chiefs said the rebels have controlled the towns of Las Vueltas and El Jicaro in Chalatenango Department and Perquin, Torola and San Fernando in Morazan for the last several days, but "this does not worry us because these are ghost towns; they have no inhabitants."

Flores Lima reported that there were problems with the rebels today in the towns of Joateca and El Carrizal in Morazan, in Carolina del Norte in San Miguel Department and in La Laguna in Chalatenango. According to Radio Venceremos, the official voice of the insurgents, these towns have been occupied in recent hours by FMLN commandos. The clandestine radio station reported that two soldiers were captured during the armed clashes that took place in Joateca.

However, Colonel Flores Lima said the towns are not under the control of the guerrillas; they are isolated and waiting for the army to carry out the operations that will decide the situation.

On the other hand, General Garcia said that "too much importance has been attached to the guerrillas' movements and a great offensive has been spoken of, but the situation does not merit any alarm."

"Having complete knowledge of the subversives' plans, we have acted according to the situation from the professional viewpoint, but we have not fallen into the trap they tried to set for us" said the general. He added that the rebels tried to "bait us so that the army would move toward the northeastern part of the country, but we are defending all of our national heritage."

Flores Lima explained that each commander of the 14 departments that comprise the Salvadoran territroty plans, organizes and carries out the counterinsurgency operations that he considers advisable.

The defense minister concluded that "the guerrillas' offensive is just propaganda and no one should believe everything they say, because that would mean a loss of confidence; the armed forces is aware of its obligations."

REBEL ATTACK ON SAN JOSE LAS FLORES REPELLED

PA310341 San Salvador EL MUNDO in Spanish 29 Oct 82 p 1

[Excerpts] Hundreds of extremists and soldiers fought all last night in San Jose Las Flores, 4 km northwest of Tenacatepeque. The fighting, which involves an extensive area, is still raging this morning.

It has been unofficially reported that two civil defense members have died and several others have been wounded. The wounded have been taken to the military hospital.

Some soldiers have said the extremists have also suffered caualties but that their companions removed the bodies. There were many bloodstains. Some soldiers have also said that there were between 700 and 900 extremists; other soldiers think there were fewer. Nevertheless, they all told journalists that this has been one of the most serious clashes in the region.

It has been reported that the fighting began at 2130 last night when many men and women armed with rifles and bazookas began firing at the San Jose Las Flores civil defense headquarters. Patrolmen returned the fire. Two hours later they were reinforced by soldiers from the 1st infantry brigade from the San Carlos barracks as well as troops from the Atonatl Battalion in Sonsonate. The fighting intensified.

The attackers fire from several hills east of Troncal del Norte road. A bazooka shell destroyed a military truck. There is no report on casualties.

The soldiers finally bested the attackers, who fled in various directions.

POLICE REPORT CLANDESTINE RADIO SEIZURE, SEARCHES

PA311553 San Salvador LA PRENSA GRAFICA in Spanish 21 Oct 82 p 26

[Communique issued by the Public Relations and Press Office of the Salvadoran National Police in San Salvador on 20 October 1982]

[Text] The Public Relations and Press Office of the national police wishes to report the following to the citizens:

A clandestine radio station operating on 7,300 khz and 7,285 khz was discovered by a special police team at 1700 on Tuesday, 19 October, in the Dolores District, Rosales area, Quinta Gloria. Justo Antonio Rodriguez was arrested while manning the station, transmitting toward Guazapa hill and the San Pedro hills in Cabanas Department.

The discovery and seizure of the station was made possible by the kind cooperation of citizens who are spontaneously, resolutely and opendly assisting our military forces, efforts to neutralize the terrorist attacks on the Salvadoran people and government.

A routine search was conducted at 1100 on Wednesday, 20 October, in the area of Los Heroes Boulevard, including the Camino Real hotel.

Three tracking receivers [receptores rastreadores] requiring a license from the National Telecommunications Administration, Antel, were temporarily confiscated during the search of the hotel. These receivers will be returned to their owners once they obtain the necessary authority to have them from Antel.

The general national police directorate hereby expresses its gratitude to the hotel management, guests and foreign media personnel who were staying there for the valuable cooperation they gave to the police during the search of their respective rooms. We also extend this gratitude to the distinguished members of the U.S. Embassy and consular corps, who, by being present there, were witness to the cordial treatment accorded to all hotel guests.

This directorate is the first to deplore the inconvenience caused by these searches, although it is aware that any such eventual inconvenience is honestly intended to provide greater safety and protection to hotel guests, for it is well known that not even they are safe from the attacks of Castro-communist subversion.

This security corps will continue these searches and wishes to reiterate to our citizens that they are doing everything possible to neutralize the activities of the international terrorist groups.

The people and armed forces stand united.

FMLN OCCUPIES LA LAGUNA IN CHALATENANGO

PA311231 (Clandestine) Radio Venceremos in Spanish to El Salvador 1830 GMT 30 Oct 82

[Text] Our FMLN forces in Chalatenango have occupied the enemy positions in La Laguna. This happened on 28 October during the "Heroes and Martyrs of October 1979-80" offensive.

We attacked the position held by soldiers and paramilitary units in La Laguna, destroying it, recovering weapons and war materiel and capturing more prisoners. This was a surprise attack. The enemy was unable to reinforce or support its troops, as is true throughout the country. They tried to enter the area with reinforcements from the 4th infantry brigade, stationed at El Paraiso, but they were ambushed and contained by our forces.

An A-37 airplane dropped six bombs and machinegunned the town of La Laguna and surrounding areas, endangering the lives of the area's civilian residents. At 1300 the town was still under FMLN control. [Passage indistinct] We have been informed that more than 20 weapons were recovered in La Laguna. This information was sent by Commander Jesus.

FMLN ISSUES REPORT FROM SEVERAL BATTLEFRONTS

PA302030 (Clandestine) Radio Venceremos in Spanish to El Salvador 0230 30 Oct 82

[Excerpts] Our nationwide military campaign "Heroes and Martyrs of October 1979-80" is advancing and is unstoppable. Our forces have taken La Laguna, another town in Chalatenango Department. New towns have been taken by the people. Roads are being controlled, acts of sabotage and weapons recovery have been carried out and additional prisoners of war have been captured.

Meanwhile, the CIA's army is demonstrating that it is incapable of containing the popular advance. Here is our military information:

The Modesto Ramirez central front reports that on Friday, 22 October, two FMLN militia squads led by Companero (Tommy) dismantled one of the enemy's operational houses in Apopa. Three National Guard members were killed in the action, including Sgt (Juan Sanchez Velasquez). The other two policemen were named (Andres Rodriguez) and (Sanchez). In this action, we recovered one olive drab uniform, two pairs of boots, four belts and two revolvers, one a 3.80 and the other a .38 special. This report is signed by Companero (Moises Moran).

Now we have a report from the Francisco Sanchez southewestern front: At 1640 on 28 October, FMLN forces staged harassment attacks on enemy positions held by finance police and soldiers who had occupied a stretch of the coastal road, at the level of the turnoff to the 14 de Junio area at KM 84.

Our companeros approached to within 20 meters from the enemy and opened fire. The attack, which lasted 10 minutes, resulted in two casualties to the enemy: One finance policeman was killed and a soldier was wounded.

Our forces withdrew in an orderly manner, without incident. This action was led by Companero (Giovani) and the report is signed by Commander (Roberto).

Guazapa is present in our national activities. Here is a war bulletin from Guazapa: The guerrilla column led by Companero (Douglas Chavez) set up an ambush of annihilation and recovery on Wednesday, 27 October, to trap an enemy unit composed of 30 troops, at the (El Muro) turnoff in Calle Nueva. The enemy appeared at 0610, at which time our forces opened fire, killing six soldiers, including a sergeant, and wounding four others. We recovered two M-16 rifles. After the 10-minute skirmish our columns withdrew, without having suffered any casualties. A prominent part in this action was played by Companeros (Julio) and (John Cristino Wilson). This report from Guazapa was sent by Commander (Raul Hercules).

On the evening of Thursday, 28 October, units of FMLN sappers carried out an action to sabotage electricity, as follows: Promptly at 2000, a unit led by Companero (Gil) blew up three 115-volt electric poles on the Nejapa geothermic line, located between the Montenegro and (Sustenango) farms near Quetzaltepeque. Two of the towers were completely destroyed and the other seriously damaged. At 2100, two 115-volt towers of the Cerron-Nejapa towers were blown up, between San Jose Las Flores and San Jose Guayabal. The operation was led by Companero (Richard).

As a result of these acts of sabotage, two serious blackouts took place in San Salvador. The first one left half of the city without electricity.

The second blackout affected almost the entire city, with only a few places having a weak power supply. At the time this report is being issued, extensive sectors of he capital are without power. The report is signed by Commander Ana Celia Medina, Mariana.

More military information comes from the Anastasio Aquino paracentral front: On 28 October, guerrilla units carried out the "Heroes of October" operation, consisting of an ambush of an enemy column that was enroute to (El Pichinco) farm, in Rio Frio, 5 km southeast of San Vicente. The attack took place at 0530 and was waged with explosives, by which we managed to divide the enemy column of troops from the 5th Brigade, who are based in Rio Frio. An intensive skirmish ensued.

The results of this operation were: 10 enemy casualties, six dead and four wounded. The following materiel was recovered: five M-16 rifles with their respective clips, five belts, five pairs of boots, two (?clips) for M-60 machineguns and 5.55-mm ammunition. We suffered one casualty -- the death in combat of our beloved Companero (Rafael). This action took place 2 km from the enemy post of Rio Frio, where one company is stationed, and 5 km from the 5th Brigade headquarters in San Vicente. The action was led by Companero (Jaime). More fighting, more forces, more victories. This report is signed by Commander (Douglas).

RADIO VENCEREMOS BROADCASTS WAR ROUNDUP

PA300214 (Clandestine) Radio Venceremos in Spanish to El Salvador 0230 GMT 29 Oct 82

[Text] Here is a report on the overall development of the war in the past 14 months:

The situation of the Salvadoran Army is critical, to the extent that they have almost completely lost their offensive capability. This is the latest opinion expressed by the U.S. advisers in El Salvador. The same unfavorable opinion of the Salvadoran regime is contained in reports of the U.S. Central Intelligence Agency, which also recognize the problems of desertion, lack of discipline and discontent among the army ranks.

We will review some figures to show the serious state in which the advances of the people and the FMLM have placed the troops of the regime.

During the past 14 months, from 1 July 1981 to October 1982, the Salvadoran armed people seized 960 weapons from the army, including 865 rifles -- mostly G-3's and M-16's -- and 75 support weapons such as 81-mm and 60-mm mortars, 57-mm and 90-mm cannons, light machineguns and grenade launchers. We have also recovered approximately 200,000 ammunition clips of various calibers, as well as 28 military radios. In other words, in only 14 months we have disarmed an army battalion. We have also taken 275 prisoners of war, including 256 soldiers, 8 corporals, 6 sergeants, 1 cadet, 2 lieutenants, 1 captain and a member of the military high command with the rank of colonel.

The FMLM has inflicted the following casualties on the army: 1,250 dead, including officers and soldiers, and more than 3,000 wounded. Of these 3,000 wounded, 10 percent have not returned to the army.

The army has an average desertion rate of more than 50 percent among new recruits who have not been trained, and from 15 to 20 percent among troops with combat experience.

In the past 14 months we have destroyed 9 helicopters -- 3 helicopters downed and 6 destroyed on the ground -- 20 warplanes, destroyed on the ground; 6 tanks; 10 armored vehicles; and more than 60 military trucks.

Guillermo Garcia has indicated that army casualties as of this July total 1,073 dead and 2,584 wounded. As for the FMLN, during the past 14 months we have suffered 214 dead, including 1 guerrilla commander who was deputy chief of one of the war fronts, 7 column commanders and 25 leaders of smaller units. We have sustained approximately 500 wounded. Of this amount, only 50 have not been able to return to the war fronts. During this period the army has captured from us only 74 weapons in combat and 25 arms from caches in urban areas.

The army has taken hardly any of us prisoner, and the few they did capture were assassinated or have disappeared. Most of them, some 25, were wounded at the time they were captured. The army has captured and caused the disappearnace of hundreds of defenseless civilians.

The FMLN has turned over more than 80 prisoners of war to the International Red Cross, and that many more have been released in different parts of the country.

The Salvadoran regime has invested thousands of men and hundreds of millions of dollars and has sustained many hundreds of dead in its attempt to maintain control of towns that were in areas under our control. In the last 14 months the FMLN has occupied many towns, while the Salvadoran Army, unable to defend their positions, has retreated leaving important areas of the country under the total control of the FMLN.

The Salvadoran Army has lost a total of 20 towns due to occupations or harassment by our forces, as follows:

Chalatenango Department: San Jose Las Flores, Nueva Trinidad, San Isidro Labrador, El Jicaro, San Antonio la Cruz, Las Vueltas, Ojos de Agua, El Carrizal, San Fernando and San Antonio Los Ranchos. San Miguel Department, northern zone: San Gerardo and Carolina. Morazan Department: Perquin, Torola, San Fernando, Arambala, Villa Del Rosario, Yamaral, (Sensembra) and Joateca. Most of these towns were abandoned by the army during the course of the October campaign, in view of the danger of their positions being captured and the army sustaining new defeats. The occupation of these towns by the FMLN shows that the army is becoming weaker.

El Salvador, with its 20,000 square km, is a very small country in which the control of terrain is vital to winning the war. The fact that the people are advancing while the enemy is retreating is not only a truth discovered by the U.S. advisers, but a truth that cannot be concealed -- and with these figures it becomes doubly hard to conceal. Therefore, it is totally senseless to say that we are making our proposal for dialogue because we are losing the war. On the contrary, while confirming our advances, we reaffirm our sincere will to find peace through a political solution, which is the inspiration of the proposal for dialogue made by the FMLN and the Revolutionary Democratic Front.

GUATEMALA

DEFENSE MINISTER SAYS COUP PLAN UNCOVERED

PA300016 Panama City ACAN in Spanish 2350 GMT 29 Oct 82

[Text] Guatemala City, 29 Oct (ACAN-EFE) -- Guatemalan Defense Minister Gen Oscar Mejia Victores today confirmed that a plan for a coup d'etat to overthrow the government was discovered on 20 October.

Mejia said that several persons are under arrest and that an investigation is underway. He did not mention their number or their names, but he said they would be tried by special courts.

The Guatemalan minister hinted that some members of the military might be among the arrested persons, and that a political party might be implicated in the coup plans.

The government had said earlier that rumors regarding a coup were unfounded.

A presidential spokesman denied that former Agriculture Minister Edgar Ponciano is under arrest, as was reported by a Guatemala City newspaper that linked him to the aborted coup plan.

Additional Remarks

PA300256 Guatemala City Cadena de Emisoras Unidas in Spanish 0050 GMT 30 Oct 82

[Text] Defense Minister Gen Oscar Humberto Mejia today confirmed that a plot to overthrow President Gen Efrain Rios Montt was recently broken up. He said the persons involved in the plot have been arrested. Defense Minister Mejia did not give the names of the suspects whom he said are being investigated. He did say that some of the persons involved could be military.

The authorities have been searching several buildings in Guatemala City as part of the investigation. Several persons have been arrested, the police said.

Further Report

PA302128 Guatemala City Cadena de Emisoras Unidas in Spanish 1230 GMT 30 Oct 82

[Text] Well informed sources have told the newscast "Guatemala Flash" that Col Francisco Luis Gordillo could be one of the military men arrested in the foiled 20 October plot.

A few days ago we learned that Colonel Gordillo had been arrested but it was not known why. Yesterday, National Defense Minister Gen Oscar Humberto Mejia Victores disclosed that on 20 October there had been an attempted plot and that several military men were arrested, including some colonels. We were able to deduce that the former member of the government military junta may be one of those arrested.

On 21 October, when the press learned of the foiled plot, the government said that it was nothing more than mere speculation. Furthermore, the rumors gathered by the press were described as consequences of a psychosis and erroneous information. Nevertheless, all those rumors, that speculation and erroneous information were personally confirmed yesterday by the national defense minister.

POLITICAL PARTIES REQUEST ASSEMBLY ELECTIONS

PA301503 Buenos Aires LATIN in Spanish 0626 GMT 29 Oct 82

[Excerpt] Guatemala, 29 Oct (LATIN-REUTER) -- Guatemala's four major political parties have asked President Efrain Rios Montt to call elections for a constituent assembly. The petition that the political parties issued last night sets 23 March 1983, the first anniversary of the day that General Rios Montt assumed power in a bloodless coup, as the date for the elections.

As the president of the republic abolished the Constitution, the political parties also suggested that measures be taken immediately to begin the process of restoring institutionalization in Guatemala. As an initial step, the four parties that submitted the petition -- the Christian Democratic Party (PDC) and the National Renovating Party (PNR), both of the center; the National Liberation Movement (MLN), of the extreme right; and the Nationalist Authentic Central (CAN) -- could, together with a group of prominent citizens, act to create a commission to draft an electoral law.

The political parties' document also asked the president of the republic to restore freedom of the press and to authorize activities by political parties and labor unions. These rights and a number of other freedoms were suspended in July when General Rios Montt decreed the state of siege in Guatemala.

U.S. BANK ACCUSED OF HELPING RIGHTWING GROUPS

PA291502 Managua Radio Sandino Network in Spanish 1200 GMT 29 Oct 82

[Text] Mexico City — The prestigious Mexican daily UNO MAS UNO has revealed that the Bank of America, the largest commercial institution in the United States [as heard], gives credit support and financial help to paramilitary groups and death squads operating in Guatemala.

In a dispatch from its Washington correspondent, the Mexican daily has a detailed report on a document issued by the (bank watch) in San Francisco and describing how the Bank of America lends money to individuals that violate human rights in that Central American nation. The previously mentioned document presents as evidence a list of accounts and lines of credit that the Bank of America handles for Guatemalan companies whose managers are businessmen linked with paramilitary groups and death squads.

KIDNAPPERS OF PRESIDENT'S NEPHEW SET CONDITIONS

PA301615 Panama City ACAN in Spanish 0415 GMT 29 Oct 82

[Excerpt] Guatemala City, 28 Oct (ACAN-EFE) -- The kidnappers of Mario Rios Munos, Guatemalan President Efrain Rios Montt's nephew, have announced their conditions for his release, but the victim's father has said he cannot comply with those conditions.

The kidnappers, who identified themselves as members of the Christian Group for the Respect for Life, made three demands of Rios Munos' family. The first is that Ileana Solares Castillo, who was arrested on 25 August, be delivered to the Nicaraguan Embassy in this capital in the presence of the press.

The kidnappers also demanded that the authorities discontinue house searches and that several communiques be publicized in the country's newspapers and newscasts.

The kidnappers set 1 November as the deadline for compliance with these demands, but Egar Rios Montt, the victim's father, said he has succeeded only in having the kidnappers' communiques published. He added that it is impossible for him to meet the other demands because of the government's stand on refusing to negotiate with the kidnappers.

STATE COUNCIL SAYS RIGHTS COMMISSION UNNECESSARY

PA301827 Paris AFP in Spanish 2302 GMT 29 Oct 82

[Text] Guatemala City, 29 Oct (AFP) -- It was announced here that the Guatemalan State Council asked President Gen Efrain Rios Montt today to abolish the human rights commission that was created by the president 2 days ago.

Meanwhile, the police reported today that the bodies of five young men, bearing signs of having been tortured, were found in Canalitos, south of Guatemala City.

On requesting the repeal of the decree that created the commission, the 40 members of the State Council asked Rios Montt "to finish drafting a political proposal that will effectively guarantee respect for human rights in Guatemala."

"Such a commission does not need to be created, because national and international laws on human rights already exist and because Guatemala has signed international agreements on this subject," the council members said.

The State Council's request was sent to the president in a document signed by all members of this advisory body.

The authorities have indicated that the bodies found in Canalitos have been sent to the morgue at the general hospital, so that relatives can identify them.

HONDURAS

COMMUNIQUE ON JOINT MILITARY MANEUVERS WITH U.S.

PA300219 Tegucigalpa Domestic Service in Spanish 1130 GMT 29 Oct 82

[Armed forces communique released on 29 October by the Armed Forces Public Relations Office -- read by announcer]

[Text] 1. The Honduran Armed Forces announces that in conformity with the annual training program armed forces maneuvers will be held in the national territory to assess the training acquired by combat units during the year.

2. A joint combined exercise called (Aguasara) will be held in Gracias a Dios Department from 5 to 11 December.

3. Units of the Honduran Armed Forces and support personnel of the U.S. Armed Forces will participate in this exercise.

4. The participation of U.S. Armed Forces support personnel is related to the holding of the Hawk View operations, which have been held annually for the past 15 years with forces of the two countries to coordinate and update defense systems and techniques in the continent.

5. The joint combined (Aguasara) maneuvers, (?Big Pine) in the Miskito language, will be held in the Mosquitia region -- which offers the best terrain for the development, observation and execution of the exercises -- never closer than 15 km from the international border.

6. Participating in the maneuvers will be four infantry battalions, artillery units, air force and navy units and logistical support units of the Honduran Armed Forces. As for the U.S. Armed Forces, only those elements deemed necessary for support in the operations will participate.

7. The Honduran Armed Forces, conscious of their constitutional role, are preparing cadres at all levels to achieve the effective fulfillment of their general mission.

[Dated] Tegucigalpa Central District, 29 October 1982

[Signed] Public Relations Office of the Honduran Armed Forces

SECRETARIAT COMMUNIQUE ON PAZ BARNICA REMARKS

PA291830 San Pedro Sula LA PRENSA in Spanish 27 Oct 82 p 5

[Foreign ministry news communique released 26 October by the Press and Information Office]

[Text] In view of the national and international news reports on alleged statements made by the Honduran foreign secretary about a meeting of Central American and Caribbean chiefs of state, the Foreign Secretariat makes the following clarification for the public:

1. On Wednesday, 20 October, Honduran Foreign Secretary Edgardo Paz Barnica met with the chiefs of missions of the countries participating in the foreign ministers meeting in San Jose, Costa Rica, on 4 October.

2. The purpose of the meeting was to exchange viewpoints with the representatives of the states participating in the San Jose meeting. The object was to implement the resolutions made on that occasion and, furthermore, to explain the Honduran position regarding the initiatives of the Mexican and Venezuelan presidents.

3. At no time did the Honduran foreign secretary comment on what took place at that meeting.

4. The chiefs of missions invited to the Foreign Secretariat made statements to journalists. Consequently, some of the journalists drew their own conclusions, which do not reflect what was discussed on that occasion.

5. The Honduran Government's position on the agreements reached in San Jose, Costa Rica, and the initiatives of the Mexican and Venezuelan presidents was clearly expressed in the 11 October 1982 letter which the Honduran president sent to the presidents of those two countries. The government's position is based on the following points:

A. The mission entrusted to Costa Rican Foreign Minister Fernando Volio to visit Mexico, Guatemala, Nicaragua and Venezuela and to attend the upcoming Caribbean Community [meetings] will be carried out. The purpose of his visits will be to give information on the results of the San Jose foreign ministers meeting and to hold consultations on the decisions made at that meeting.

B. The results of Minister Volio's efforts will be announced at a new meeting of Central American and Caribbean foreign ministers. If possible, this meeting should be expanded to include the participation of the countries visited by Foreign Minister Volio.

C. The results of the meeting of foreign ministers could be announced at a summit meeting of Central American and Caribbean chiefs of state to reach formal commitments to strengthen regional peace and security.

[Date] Tegucigalpa, 26 October 1982

[Signed] Press and Information Office

NICARAGUA

FOREIGN MINISTER RETURNS FROM UN, CYPRUS, TUNISIA

PA302013 Managua Domestic Service in Spanish 0300 GMT 30 Oct 82

[Statement by Foreign Minister Miguel D'Escoto "on his return from Cyprus and Tunisia" on 29 October at the Augusto Cesar Sandino International Airport in Managua -- recorded]

[Text] As you all know, Nicaragua's victory at the United Nations was obtained on the very first day of the election, in the third round of the voting. Immediately afterward, I left New York for Nicosia and later went to Tunisia for a meeting with Yasir 'Arafat.

A few months ago, the Nonaligned Movement meeting in Cyprus appointed a special ministerial commission on Palestine. The commission consisted of two members for Latin America, two for Europe, two for Asia and two for Africa. Nicaragua is a member of the commission for Latin America. We had to meet with Yasir 'Arafat to coordinate the next steps for our work in solidarity with the Palestinian cause.

We are now back, with a series of important tasks ahead. We have invited Honduran Foreign Minister Edgardo Paz Barnica to a meeting this Monday. I still have no confirmation that he has accepted. He was told that if he could not make it on Monday, he could come any day next week. It is up to him now. The Honduran authorities have expressed interest in holding a dialogue. We have invited them over and we hope they accept.

For next Friday, 5 November, we have invited Costa Rican Foreign Minister Fernando Volio to discuss problems of mutual interest in our bilateral relations. Some news media have reported that Foreign Minister Volio would like to talk to us about the forum of I don't know what that they had in Costa Rica 2 or 3 weeks ago. However, we have no interest in discussing that forum. We have told them this. They can continue to talk to those who were invited to the forum.

I am going to the OAS General Assembly and I will probably be going on official visits to Bulgaria and Hungary. Then, we must prepare for the very important meeting that we will hold here in Nicaragua in the first days of January. For the first time in history, the Nonaligned Movement is going to hold a special meeting at the ministerial level for which the main subject will be Latin America. We are going to discuss the future of the Nonaligned Movement in Latin America. Nicaragua was chosen as the host country for this important meeting.

Arrival Remarks

PA310158 Managua Radio Sandino Network in Spanish 1200 GMT 30 Oct 82

[Text] Hundreds of Sandinist Defense Committee members warmly welcomed and cheered Foreign Minister Father Miguel D'Escoto when he arrived last night at Sandino International Airport. He was also met by government junta members, the FSLN National Directorate and the Cabinet of the revolutionary state.

In remarks to the national and international media regarding the results of his trip to the UN, Cyprus and Tunisia, Foreign Minister D'Escoto announced that next January the Nonaligned Movement will have a special ministerial-level meeting to discuss the subject of Latin America's nonalignment for the first time in its history. The meeting will be held in Managua.

D'Escoto said that foreign ministers will come from all parts of the world. He emphasized that this political meeting will be one of the most important in Central America's history. D'Escoto said the nonaligned countries' decision to hold this meeting in Managua is not only a victory for the revolution but also a recognition of the wise leadership of the revolutionary process by the FSLN National Directorate and the J nta of the Government of National Reconstruction.

D'Escoto also announced that the Nicaraguan revolutionary junta has invited the Governments of Honduras and Costa Rica to have their foreign ministers visit our capital next week to discuss bilateral relations.

The foreign minister also said that the Nicaraguan Government has told Costa Rica Foreign Minister Fernando Volio that Nicaragua has no interest whatsoever in speaking about the San Jose forum for peace and democracy because the forum became an instrument of aggression and isolation against the Sandinist people's revolution:

[Begin recording] We are undoubtedly neighbors. We have diplomatic relations and also have the desire to establish a direct, honest dialogue with our neighbors, with my colleagues both from Honduras and Costa Rica. However, I believe I have been clear enough with Foreign Minister Fernando Volio that it is not simply a matter of limiting the agenda.

It is evident that when foreign ministers meet, they not only speak about bilateral affairs. This is not the case. When two foreign ministers meet, they usually spend at least half the time discussing political problems in other countries of the world; the other half of the time is spent discussing strictly bilateral affairs.

However, we have here a topic that has been definitely excluded and our position in this regard will not change. They were willing to play the U.S. game of organizing this meeting, the main objective of which was to isolate Nicaragua. Let them keep their meeting and continue to talk all they want about the topics they might have discussed; we have no interest in learning what they discussed in a meeting that they did not want us to attend.

Therefore, I am surprised by the tremendous interest they now have in telling us the results of a meeting to which we were not invited because they don't think this is a democracy.

The situation with Honduras is even more unfortunate. The foreign affairs secretary has said he could not commit himself to a meeting on a specific date because Paz does not want Foreign Minister Volio to think that he is pulling the rug out from under him. I told him: Really, Mr Foreign Secretary, I think I didn't hear you well. I cannot understand how a foreign minister could limit his country's sovereignty just by attending a meeting and could commit himself to not holding meetings to discuss bilateral matters with other countries. This is really surprising, but this is what I was told.

We are waiting to see if they have received the green light to establish this very important dialogue. It is one thing to speak of peace, of dialogues and another to work for peace and to hold the dialogue. So far we have had a lot of talk about dialogues and peace, but no specific action. [end recording]

Further Remarks

PA310258 Managua Radio Sandino in Spanish 1830 GMT 30 Oct 82

[Text] The U.S. administration's new diplomatic offensive at the highest level shows the great interest that the United States has in regaining some of the ground lost in Latin America after the Malvinas conflict. This is what Foreign Minister Father Miguel D'Escoto Brockman said in reference to the U.S. under secretary of defense's visit to Central America and the visit that President Reagan has planned to Costa Rica in December. D'Escoto said the United States persists in its objective of turning Honduras into the Central American Israel.

Here is a statement that Foreign Minister D'Escoto Brockman made to the local and international press last night at the Augusto C. Sandino airport where he was met by hundreds of Sandinist Defense Committee members, the government junta and the FSLN National Directorate upon his arrival from the UN, Cyprus and Tunisia where he achieved positive results for the Sandinist people's revolution:

[Begin recording] I believe it obvious that the Reagan administration's new diplomatic offensive at the highest level as well as the military contacts demonstrate the tremendous interest that the United States has in regaining some of the ground lost after the Malvinas conflict. It is also obvious that the United States persists in its objective of turning Honduras into the Central American Israel.

There are those in the United States who believe this is only intended to intimidate and scare Nicaragua but there are many, and each day we find more, who believe the United States is going beyond what is considered wise, that it is playing with fire and that if all these U.S. and Honduran joint military activities in Honduras are not stopped, in the next few weeks we could find ourselves confronting a very dangerous situation which would involve not only these two countries but possibly the whole area. This is something that is very dangerous.

However, I also want to tell you that several foreign ministers and politicians of other countries with whom I have talked in the past few days believe that perhaps all the recognition that Nicaragua has received in the past few days will probably make the United States and its puppets think things over before getting involved in an adventure that will serve no one's interests. [end recording]

FSLN LEADERS CONGRATULATE SPAIN'S GONZALEZ

PA301731 Panama City ACAN in Spanish 1602 GMT 29 Oct 82

[Text] Managua, 29 Oct (ACAN-EFE) -- The FSLN National Dirctorate and the Nicaraguan junta have sent messages congratulating Felipe Gonzales, secretary general of the Spanish Socialist Workers Party (PSOE), on his triumph in Thursday's elections.

The message from the nine commanders who are FMLN National Directorate members calls the victory achieved by the PSOE in Spain's legislative elections a "formidable" one. The cablegram, signed by Commander Bayardo Arce, coordinator of the FMLN Political Committee, says that the triumph of Gonzalez and the PSOE "is also a triumph for the countries that are fighting for democratic and popular change, to achieve liberty, dignity and the well-being of the people."

"In the difficult times that characterize the current international situation, the PSOE's triumph undeniably constitutes a strengthening of the democratic and progressice forces that are fighting to defend peace and to ensure respect for the free self-determination of thepeoples" the message said.

"As we ratify our friendship," the Sandinists said to Gonzalez, "we want to reiterate our country's joy at the victory of a friend of our people and our revolution."

The government junta, in its message of congratulations to Gonzalez, said that both the government and people of Nicaragua "are celebrating as their own" the electoral triumph of the Spanish socialists.

Meanwhile, Managua's newspapers highlighted the victory with enormous frontpage headlines, stressing the "landslide victory" and the Spaniards' massive turnout at the polls.

JUNTA APPROVES PRODUCTION INCENTIVES PROPOSAL

PA300236 Managua Radio Sandino Network in Spanish 1200 GMT 28 Oct 82

[Text] In accordance with plans to develop, strengthen and guarantee a mixed economy in our country, the Junta of the Government of National Reconstruction has approved the proposal that the Central Bank and the Ministry of Agricultural Development presented in relation to the policy of incentives in the agriculture and livestock sector. The program, to be carried out during the 1982-83 cycle, is based on certificates of foreign exchange availability.

The new policy of incentives, which included higher percentages in relation to the amounts to be paid off in the parallel market, will directly benefit the producers of export products.

The program includes incentives for production, such as the establishment of guaranteed prices for producers, as in the case of coffee, and decrees on tax exemption for exports, depending on the international price of each product.

The products that will benefit from the incentive mechanisms approved by the government junta are cotton, sugar, meat, tobacco, and all those classified as export products, including sorghum, bananas, sesame seed and manufactured products.

It was also reported that the government junta has already instructed the country's financial system to handle transactions expeditiously.

LATIN REPORTS MEETING WITH U.S. MILITARY

PA292030 Buenos Aires LATIN in Spanish 1849 GMT 28 Oct 82

[By Agustin Fuentes]

[Text] Managua, 28 Oct (LATIN-REUTER) -- Nicaraguan and U.S. military officials held a surprise meeting here today to discuss training Nicaraguans in international search and rescue operations, potential candidates for the training course have said.

It is believed that this was the first such meeting between military men of the two countries since the Sandinist guerrillas assumed power in July 1979 after the bloody civil war that toppled Anastasio Somoza, who was supported by the United States.

A U.S. Embassy spokesman confirmed the meeting, but declined to give details saying that it was up to the Nicaraguan Government to do so.

An employee of the hotel where the four U.S. military men are staying said that they arrived last night from Panama and registered as Ferris, Conway, Campos and Goldstein.

Early in the morning I saw the four dressed in blue uniforms with blue berets talking to Capt Roberto Sanchez, Sandinist army spokesman. From their hotel they walked some 200 meters to the Defense Ministry Public Relations Office where the meeting was held.

Some 27 young Sandinist soldiers were waiting for the U.S. officials at the Defense Ministry. They told me that the training they will receive from the Washington military men was the first phase in establishing a Nicaraguan office of the international search and rescue operation.

Nicaraguan sources said the meeting was suggested by the U.S. Embassy. They added that "while in other countries U.S. advisers train to kill, here they do it to save lives."

The meeting is taking place at a time when relations between the countries are seriously strained. Washington suspended all aid to Nicaragua, accusing it of being the conduit for supplying arms and ammunition to the guerrillas struggling to overthrow the Salvadoran Government. For their part, the Sandinists have accused the United States of aiding the Nicaraguan rightwing groups in exile in their efforts to destabilize the government.

UN DELEGATE: IMPERIALISTS DISTORT UN REPORTS

FL301410 Havana Domestic Service in Spanish 1200 GMT 30 Oct 82

[Text] United Nations -- Cuba has denounced imperialist superpowers' maneuvers to suppress or distort information they are required to provide to the United Nations regarding territories they administer under colonial governments.

Appearing before the UN General Assembly's Commission for Decolonization, Cuban delegate Maria Cecilia Bermudez criticized countries that refuse to supply that information, using several different labels. The lables strategic zones, associated free states, autonomous territories or trusteeship are frequently used, the Cuban delegate said, to cover up the colonial status of countries such as Puerto Rico, Micronesia, Gibraltar, Western Sahara and other territories still under the control of foreign mother countries.

She said those reports fail to mention the constant looting of natural resources from those territories, perpetrated mainly by transnational companies and their affiliates.

ENVOY CHARGES U.S. 'MYTH' OF FREE NEWS FLOW

FL301640 Havana Domestic Service in Spanish 1517 GMT 30 Oct 82

[Text] Cuba has charged that the so-called free flow of news is a myth, discredited because of the monopolistic practices of U.S. expansionism. Cuban diplomat Enrique Gonzalez Manet said at the United Nations that the United States plans its strategy of world domination and with it a new form of colonialism has appeared.

The Cuban delegate stressed that Washington has tried, to no avail, to bribe developing countries with an absurd Marshall plan for telecommunications in order to impose a news policy contrary to the dignity and sovereignty of Third World States.

He said that, failing to buy off underdeveloped countries and failing to divide the Nonaligned Movement, the United States had brought in arrogance as its standard form of government policy and action.

USSR SUPREME SOVIET DELEGATION CONCLUDES VISIT

FL300202 Havana Domestic Television Service in Spanish 0100 GMT 30 Oct 82

[Text] The delegation of the USSR Supreme Soviet, headed by its secretary, Mikhail Georgadze, alternate member of the CPSU Central Committee, departed for the Soviet Union late this afternoon. At the airport to bid farewell to the distinguished visitor and the accompanying delegation were Jorge Lezcano Perez, member of the Central Committee and vice president of the National Assembly of the People's Government, and other officials.

During his stay in Cuba, Georgadze visited centers of general interest and exchanged experiences with his Cuban counterparts.

Prior to departure, the secretary of the USSR Supreme Soviet made the following statements to this newscast. [begin Georgadze recording -- in Russian with consecutive Spanish translation] My impressions are enormous. I cannot cite them one by one, they are many. During my return trip to the USSR, I have to write down my experiences here in order to tell my comrades about all the successes that the Cuban workers, headed by Comrade Fidel Castro, have achieved. It has been a colossal effort, grandiose. We have learned firsthand about the work of the workers, both in production centers as well as in the economic and political fields. [end recording]

SOVIET AMBASSADOR ON SOVIET-CUBAN RELATIONS

FL291945 Havana Domestic Service in Spanish 1800 GMT 29 Oct 82

[Text] Konstantin Katushev, USSR ambassador to Cuba, has held a news conference on the occasion of the 65th anniversary of the Great Socialist October Revolution and the 60th anniversary of the USSR. He said that all the people of the USSR, which now has more than 270 million inhabitants, have equal rights and thanks to the establishment of the Soviet state and its progress on the road to socialism, new potentialities are continuously being discovered in this great mass.

In his news conference, Konstantin Katushev evoked the role of Lenin and the Soviet people in the Great Socialist October Revolution, in the establishment of the Soviet state, the construction of socialism and in the present struggle for peace and disarmament. He said that the centers of tension that exist in the world and in this area, the Caribbean, are caused by those who do not respect the sovereign right of every nation. He compared the aggressive policy of U.S. imperialism with the policy of peace, friendship and fraternal cooperation promoted by the Soviet Union.

Speaking about Soviet-Cuban friendship, he said that this is continuously developing and in the present 5-year period economic, scientific and technical cooperation has increased 1.8 percent above the already existing high levels. He said that Cuba's economic development allows it to cooperate with the USSR on many products, such as sugar, citrus fruits, steel industry raw materials and others, which demonstrates the possibilities for development of our country.

He described Soviet-Cuban cooperation as follows: [Begin recording in Russian with concurrent Spanish translation] In portraying the state of our economic, scientific and technical cooperation, the following gives a very convincing idea of the extent of our cooperation, its depth and its high level. A demonstration of our cooperation is our joint Soviet-Cuban space flight. It was a feat of our peoples. It is an indirect proof of our scientific and technical cooperation. Another example in Cuba, the first socialist country in the Western hemisphere, is that with our joint efforts we are building its first atomic plant.

In the most recent example, which also indirectly portrays our economic, scientific and technical cooperation, two Cuban comrades are accompanying a Soviet misssion on an airplane flight to the Antarctic. Here are three examples: the flight into space, the nuclear energy plant and the joint trip to study the possibilities of the sixth continent characterize our cooperation. [end recording]

4 STATES SIGN SECURITY SYSTEM PACT IN DOMINICA

FL300059 Bridgetown CANA in English 0037 GMT 30 Oct 82

[Text] Roseau, Dominica, Oct 29, CANA -- Top government officials from four Eastern Caribbean states -- St Vincent and the Grenadines, Antigua and Barbuda, Barbados and Dominica -- today signed a memorandum of understanding here advancing plans for the establishment of a regional security system to serve their respective islands.

Prime Ministers Tom Adams of Barbados, Eugenia Charles of Dominica, Milton Cato of St Vincent and the Grenadines and the junior foreign minister of Antigua and Barbuda, Hugh Marshall, initialled the agreement on behalf of their governments in a ceremony at government headquarters here. A communique issued after the ceremony said the agreement enables the participating countries to assist each other in threats to national security and immigration control, smuggling natural and other disaster among other areas.

St Lucia, which was represented at today's signing ceremony, will be become a signatory when Prime Minister John Compton returns from a current visit to the United States, the communique said.

Following is the full text of the communique:

The governments of Antigua and Barbuda, Barbados, Dominica and of St Vincent and the Grenadines have by a memorandum of understanding agreed to prepare contingency plans and to assist one another on requests in natural and other disasters, prevention of smuggling, search and rescue, immigration control, fisheries protection, customs and excise control, maritime policing duties, protection of offshore installations, pollution control, and threats to national security.

The memorandum in effect brings into being what has become known as the regional security system of which the regional coast guard will be a very active part.

It makes provisions for planning and operations, command and discipline, jurisdiction and claims and, in addition, has laid down the arrangements within the system for joint training, joint procurement, maintenance of regional coast guard vessels, and for financial cost sharing.

The prime ministers of Barbados, Dominica, and St Vincent and the Grenadines signed their memorandum of understanding on behalf of their governments, while the minister in the Ministry of Foreign Affairs in Antigua and Barbuda signed on behalf of his government.

The ceremony, which took place at government headquarters in Roseau at 1200 noon today, 29th October 1982, was witnessed by the security chiefs and officials of the participating countries.

The government of St Lucia was represented at official level at the ceremony and is expected to become a signatory on the return of the prime minister of St Lucia from his current visit to the United States of America.

GRENADA

SOVIET ENVOY COMMENTS ON TRADE, RELATIONS

FL301730 Bridgetown CANA in English 1659 GMT 30 Oct 82

[Text] St. Georges, Grenada, Oct 30, CANA -- The Soviet Union is prepared to buy Grenada's traditional export crops, cocoa, nutmegs and bananas, Radio Free Grenada reported today.

The radio said the announcement was made by the Soviet Ambassador to Grenada, Gennadiy Sazhenev. He said Grenada and Russia had signed a cultural and trade agreement as well as an agreement on scientific and technological cooperation.

Mr. Sazhenev told the radio station the relationship between Grenada and the Soviet Union was based on principles of peaceful coexistence, friendship, mutually beneficial cooperation and non-interference in domestic affairs. The ambassador said also that, along with 150 other countries throughout the world, Grenada enjoyed fruitful relations with the Soviet Union.

Grenada's earnings from nutmegs, bananas and cocoa have been declining this year. The country earned 14.8 million dollars (one E.C. dollar; 37 cents U.S.) less in the first seven months of this year compared with last year.

Grenada's Prime Minister Maurice Bishop visited Moscow for an official visit in July when the Soviet Union pledged 23 million dollars in aid to St Georges and agreements were concluded on a 7.5 million dollars (U.S.) line of credit to Grenada to finance, among other things, a satellite earth station and a grant of 1.4 million dolars (U.S.) to buy steel and other goods including flour.

TRINIDAD, TOBAGO

OIL COMPANY FORECASTS LOSS, NO RETRENCHMENT

FL251523 Bridgetown CANA in English 2142 GMT 23 Oct 82

[Text] Port-of-Spain, Trinidad, Oct 23, CANA -- Trinidad-Tesoro, one of six oil companies operating here, has said that despite the loss of one per cent on each barrel of crude, it has no intention of retrenching its labour force.

This assurance was given to the company's staff by General Manager G L Lewis and Financial Manager Randolph Corbie, at a briefing on its financial position. Mr Corbie said that while the company had netted a surplus of four per cent on a barrel of oil in 1981, there will be a one per cent deficit in 1982 and a seven per cent deficit in 1983 if the current trends are not reversed.

He told the workers that in 1975, Trinidad-Tesoro's crude production amounted to 12,924,000 barrels. At that time, the price of crude was 21.45 dollars (one TT dollar; 41 cents U.S) per barrel. He added that royalty and subsidy accounted for 11 per cent of the revenue obtained and taxes another 35 per cent.

"This meant that in 1975, 46 per cent of the revenue for every barrel produced was absorbed by uncontrollable costs," Mr Corbie said.

He noted that of the remaining 54 per cent, 14 per cent went into operating expenses and 20 per cent towards necessary capital investments, Thus he said, the company was left with a surplus in 1975 of 20 per cent or the equivalent of one-fifth of each barrel of oil produced.

Mr Corbie said, however, that between 1975 and 1981, while production remained stable, there was a significant jump in average revenue per barrel of crude to the tune of 267 per cent. But, he explained, uncontrollable costs escalated by over 400 per cent with royalty and subsidy accounting for 15 per cent of the 1981 barrel of oil and taxes of 52 per cent.

"A similar analysis of the figures for 1982 points to a position of one per cent, a position which is likely to worsen in 1983 if current trends are not reversed. The 1983 forecast indicated a likely deficit of seven per cent," he said. Mr Corbie said it was not likely that production levels would rise significantly or that the price of crude would increase in the near term, but costs would certainly escalate.

Trinidad-Tesoro he said must move swiftly to cut back on uncontrollable expenditure... in areas that do not directly benefit the operation -- expenditure which is sometimes referred to as "luxury expenditure."

JACKSON ON 'FAILURE' OF VENEZUELAN DIPLOMACY

FL291830 Bridgetown CANA in English 1747 GMT 29 Oct 82

[By Mike James]

[Text] Georgetown, Guyana, Oct 29, CANA -- Venezuela, having failed to gain international support for its claim to five-eighths of Guyana, may now be considering that the "military option" is not in the best interests of the country, Foreign Minister Rasleigh Jackson has said here.

Mr Jackson told a news conference that Venezuela had failed to obtain the support of non-aligned nations at a meeting in New York this month. "For the first time in many years the Venezuelan papers are beginning to respect the skill of Guyana's diplomacy and are beginning to manifest less of an arrogance towards our people, along with a growing criticism of Venezuela's handling of its foreign policy," Mr Jackson said.

The minister also reacted sharply to Venezuelan press reports quoting Foreign Minister Jose Alberto Zambrano as saying that Guyana had attempted to blackmail Venezuela at the recent non-aligned ministers' meeting into supporting a Guyana request for membership of the Organisation of American States (OAS) and had offered to cooperate in the development of the Essequibo region as conditions for Guyana's support of Caracas' application for full non-aligned status.

"We have never asked for Venezuelan help to develop the Essequibo, nor their participation in the hydro-electric project," he said. "All we wanted was the removal of their political opposition to the project," the minister said. "There was absolutely no question of seeking Venezuelan help to get us into the OAS," Mr Jackson added. He said: "What we want is the right to participate, if we wish, that there should be no impediment against our entry." He added that Venezuela was unwilling to support these principles which were central to the spirit of the Non-Aligned Movement and no compromise was reached at the meeting.

Mr Jackson reiterated, however, that Guyana would make efforts to reach an accomodation with Venezuela before that country's application to join the movement is again considered at the non-aligned summit next year.

Commenting on the recent exchange of letters between Venezuela and Guyana over the organisation they will approach to choose the means the countries are to pursue towards a peaceful settlement of their border dispute, Mr Jackson said that a further meeting of the Guyana parliamentary border committee would be held shortly.

The minister said that after the meeting Guyana would respond to the Venezuela rejection of three alternatives, to approach the United Nations Security Council, the U.N. General Assembly or the International Court of Justice, which Guyana has proposed. Venezuela wants the dispute negotiated by the two countries.

BRIEFS

BOND SALES -- Georgetown, Guyana, Oct 29, CANA -- Guyana has raised 9.5 million dollars (one Guy dollar: 33 cents U.S.) in national defence bonds since the project was launched by government towards the end of last year, it has been officially stated. The national contribution was hiked this week when members of Guyana's disciplined services, the defence force, the police force, the people's militia, the national service and the prison and fire services, bought 125,000 dollars worth of bonds. [Bridgetown CANA in English 1527 GMT 29 Oct 82 FL]